



**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR**  
**NEW AGE METALS INC.**

(FORMERLY PACIFIC NORTH WEST CAPITAL CORP.)

**FOR THE THREE MONTHS ENDED 31 JULY 2017**

## **1. MANAGEMENT DISCUSSION AND ANALYSIS**

The following discussion and analysis is management's assessment of the results and financial condition of New Age Metals Inc. (formerly Pacific North West Capital Corp.) (the "Company" or "NAM") for the three months ended 31 July 2017 and should be read in conjunction with the corresponding consolidated financial statements and related notes. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts presented are Canadian dollars ("CAD") unless otherwise stated. The date of this Management Discussion and Analysis is 21st day of September 2017. Additional information on the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **2. BUSINESS OF NEW AGE METALS INC.**

NAM is a mineral exploration company focused on the acquisition, exploration and development of Platinum Group Metals (PGMs), precious and base metals properties. Management's corporate philosophy is to be a project generator, explorer and project operator with the objective of forming options and/or joint ventures with major mining companies through to production. NAM has begun the evaluation of several potential property acquisitions, including precious and base metal production opportunities. A wholly-owned US and Pacific North West Capital Corp. USA, and Lithium Canada Development Inc., respectively, are being maintained for future property acquisitions.

## **3. FORWARD LOOKING STATEMENTS**

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

## **4. OUTLOOK**

Due to the current downtrend in the financial markets and adverse economic conditions, the Company has implemented a program of economic controls aimed at reducing current consumption. Even though current management has demonstrated its ability to raise funds in the past, with the current financial market conditions and global economic uncertainty, there can be no assurance it will be able to do so in the future. Because of these uncertainties, there is substantial doubt about the ability of the Company to continue as going concern. These financial results and discussion do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

On 1 February 2017, the Company changed its name to New Age Metals Inc. and consolidated its share capital on one (1) new common share without par value for every three (3) existing common shares without par value basis. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation.

On 14 April 2016, the formed a wholly owned subsidiary called Lithium Canada Inc. A new Lithium and Rare Earth Division, the Company's management believes that adding an additional "green metal" to its existing Platinum group metals (PGM's) division is warranted. These new age metals, Lithium, PGM's and Rare Earths, have robust macro trends with surging demands and limited supply. Going forward, this

new division will explore for the minerals needed to fuel the demand for energy storage and other core 21st Century Technologies. This new direction will involve the acquisition of new projects and adding to our existing technical team.

The company's new Lithium Division will focus on the acquisition, exploration and development of Lithium Projects in Canada. In the United States the company will use its wholly owned U.S.A subsidiary to acquire and develop projects in active mining camps in Nevada, Arizona and California.

Lithium and Platinum group metal prices have improved dramatically in recent months. Lithium supplies remain in deficit relative to their demand. Both metals groups are used for the expanding worldwide automobile industry (conventional and electric). In the case of PGM's, demand is increasing for autocatalysts, a key component for reducing toxic emissions for automotive, gasoline and diesel engines. In regards to Lithium, there is an ever increasing demand for batteries in cellphones, laptops, electric cars, solar storage, wireless charging and renewable energy products.

## **5. PROJECT OVERVIEW:**

### **5.1. 1 RIVER VALLEY, ONTARIO**

The River Valley mineral claims are located in the Sudbury Region of Ontario (Figure 1). NAM optioned the River Valley claims following the discovery of highly anomalous PGM values in grab samples in the Dana Lake and Azen Creek areas. By an agreement dated 15 January 1999 and amended 11 March 1999 (collectively, the "Agreement"), the Company acquired a 100% interest in the River Valley claims from Bailey Resources Ltd., Luhta Resources Ltd., and Pardo Resources Ltd. by issuing 66,667 common shares of NAM and \$265,000 cash (paid). The River Valley claims are subject to a total 3% Net Smelter Return Royalty ("NSR"), of which NAM can purchase up to 2% of the NSR from the vendors for \$2,000,000.

On 14 July 1999, NAM entered into an unincorporated 50/50 joint venture agreement ("JV") over the River Valley property ("River Valley PGM Project") with Kaymin Resources Ltd. ("Kaymin"), a wholly-owned subsidiary of Anglo Platinum Limited ("Anglo"), whereby Kaymin was responsible for funding all exploration to completion of a feasibility study, which would give Kaymin an additional 10% interest. In addition, if Kaymin arranged financing for a mine, it would receive another 5% interest, for a total interest of 65%.

Kaymin continued to fund exploration under the terms of JV until 2007 and invested over \$22,000,000 in the exploration of the River Valley PGM Project; however, as a result of capital expenditure reductions during the global financial crisis in 2008, no new funds were allocated to the River Valley PGM Project, above and beyond the minimal holding costs.

Included in the River Valley PGM Project are the following:

#### *i) River Valley Property, Ontario*

By agreement dated 15 January 1999 and amended 11 March 1999, the Company acquired a 100% interest in 226 claim units, known as the River Valley claims, located in the Dana and Pardo Townships, Sudbury Mining District, Ontario. As consideration, the Company paid \$265,000 and issued 66,667 common shares to the optionors. In addition, minimum annual exploration expenditures of \$100,000 were completed. The River Valley claims are subject to

a 3% NSR. The Company, at its option, can purchase up to 2% of the NSR from the vendors for \$2,000,000.

On 7 February 2012, NAM received River Valley's Mining Leases. The Mining Leases give NAM security of title on the land and the exclusive right to mine the River Valley deposit. The Mining Leases include surface rights that allow for siting of project infrastructure and processing facilities. The Mining Leases are for a period of 21 years (commencing on 1 November 2011) and are renewable.

The Mining Leases covering the River Valley claims as set out in Table 1.

Table 1. NAM mining leases covering the River Valley claims

Mining Lease/ Claims	Size (Hectares ("ha"))	Township	Recorded	Current expiry date
CLM450	4777.181	Dana	1-Nov-11	31-Oct-32
CLM451	570.308	Pardo	11-Jan-12	28-Feb-33

*ii) Goldwright Property, Ontario*

By agreement dated 30 June 1998 and subsequently amended, the Company earned a 25% interest in certain mineral claims known as the Janes property, located in the Janes Township, Sudbury Mining District, Ontario.

On 30 October 2015, the Company signed a Net Smelter Returns Royalty Agreement ("NSR") whereby a Production Royalty equal to 1% will be paid based on minerals produced, saved and sold from the properties on the terms and subject to the conditions specified in the NSR Agreement.

*iii) Razor Property, Ontario*

The Company acquired a 100% interest in certain mineral claims located in the Dana Township, Sudbury Mining District, Ontario for consideration of \$30,000. The property is subject to a 2% NSR.

*iv) Western Front Property, Ontario*

By agreement dated 16 November 2001, the Company earned a 70% interest in certain mineral claims known as the Western Front property from a company (the "Optionor") with certain directors in common, for consideration of \$55,000 and issuance of 2,222 shares. In addition, an exploration expenditure of \$50,000 was completed.

The Company has the right to purchase an additional 30% interest in the property by paying \$750,000 to the Optionor.

The property is subject to a 3% NSR, the first 1% of which the Company can purchase for \$1,000,000; the second 1% can be purchased for \$2,000,000. The Company and the Optionor will share the NSR buyout privileges in proportion to their respective interests.

### **5.1.2. History of the River Valley PGM Project**

The exploration history of the region dated back to the 1960s, with work on the River Valley PGM Property starting in earnest in 1999. The River Valley PGM deposit (Figure 1) was discovered by prospectors in early 1998. NAM became involved in late 1998 and Kaymin entered into the JV on the River Valley PGM Property in 1999 and had earned its 50% interest by January 2002. Between 1999 and 2008, NAM, as operator of the project, in conjunction with Kaymin, carried out several phases of trenching, surface sampling and mapping, and completed eight diamond drilling programs. During this period of time Kaymin ultimately invested a total of \$22,000,000 in exploration programs, including more than 110,000 metres ("m") drilled in 550 holes.

With the global financial crash and changes in Anglo's management and exploration focus in 2008, Kaymin's funding of the River Valley PGM Project was placed on hold. NAM successfully negotiated the purchase of Kaymin's 50% interest under a Mineral Interest Assignment Agreement dated 13 December 2010 and, on 6 April 2011, signed the Amendment to Mineral Interest Agreement ("Amending Agreement") closing the purchase by NAM of Kaymin's 50% JV interest in the River Valley PGM Project. Pursuant to the terms of the Amending Agreement a total of 2,705,720 fully paid and non-assessable common shares of NAM (reflecting a 12% interest in NAM based upon the issued and outstanding common shares of NAM as of 30 November 2010 (7,504,779) and three-year warrants to purchase up to 33,333 common shares of NAM at a price of Cdn\$2.70 per common share were issued to Kaymin for its 50% interest in the JV. The transaction provided NAM with an undivided 100% interest in the River Valley PGM Project.

### **5.1.3 Post JV Partnership (2011-12 Exploration Programs)**

In May 2011, NAM commenced a \$5,000,000 exploration program on the River Valley PGM Project. The program involved 15,500 m of drilling, 140 line kilometres ("km") of three-dimensional induced-polarization surveys ("3D-IP"), and a new National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI43-101"), compliant mineral resource estimate. Figure 2 illustrates a simplified geology map of River Valley PGM Project.

The following is a summary of the program achievements:

#### **A - Resource Drilling - 13,500 m**

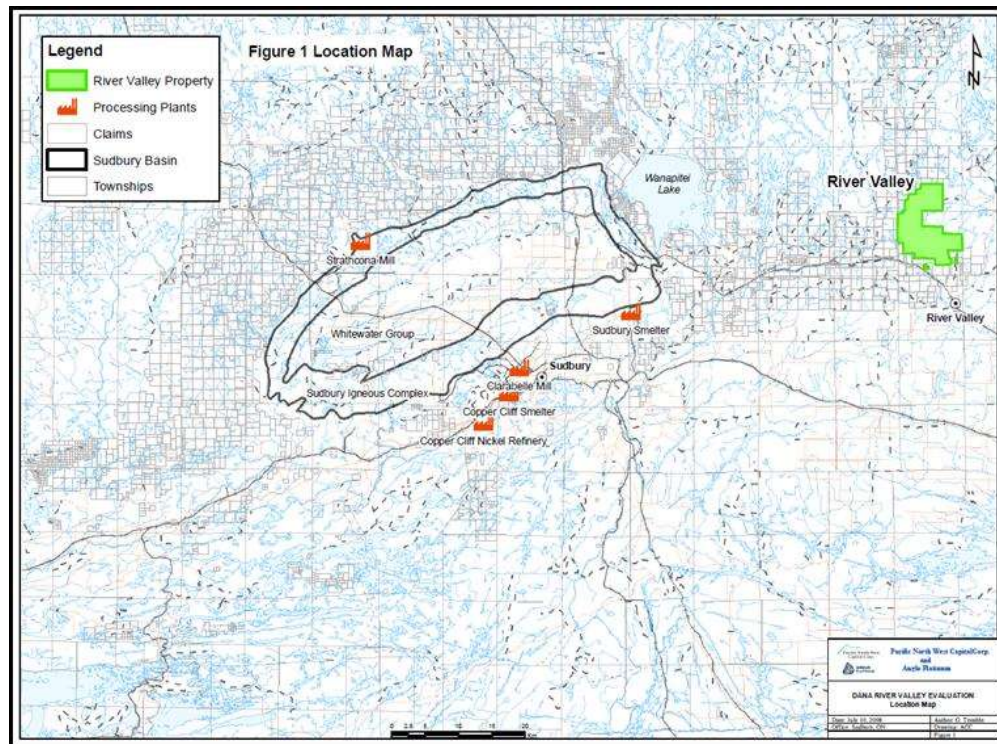
- Focused in the Dana North and Dana South Zones
- Infill drilling to advance inferred to indicate resources, increase grade and close gaps (Figure 3)
- Proximal targets drilled along strike and down-dip to expand current (2006) mineral resources

#### **B - Exploration Drilling - 2,000 m**

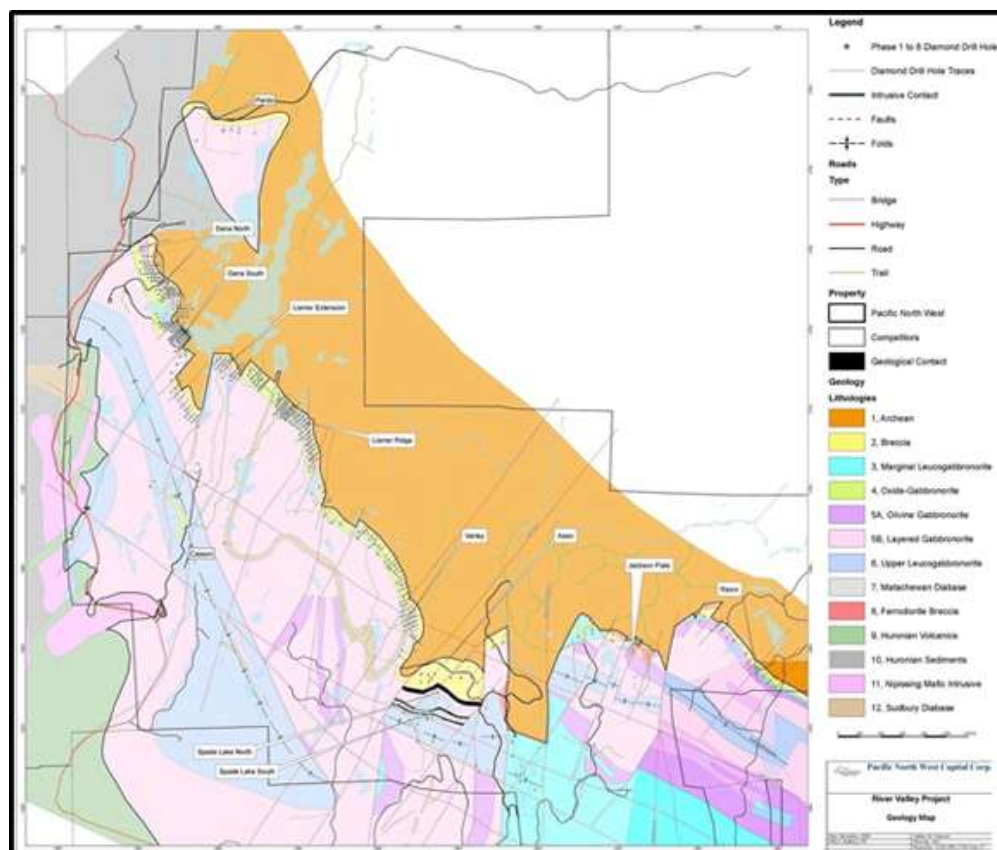
- Commenced on completion of the resource drilling
- Drilled one new 3D-IP chargeability target
- Drilled two under-explored targets identified from surface mineralization internally within the intrusion not drilled previously

## C - Geophysical Surveys

- During resource drilling, 130 line km of ground 3D-IP surveys completed to generate new targets
- New targets identified, ranked and prioritized for drill testing ( Figure 4)



**Figure 1.** Location Map of River Valley PGM Project relative to the metallurgical facilities in the greater Sudbury region.

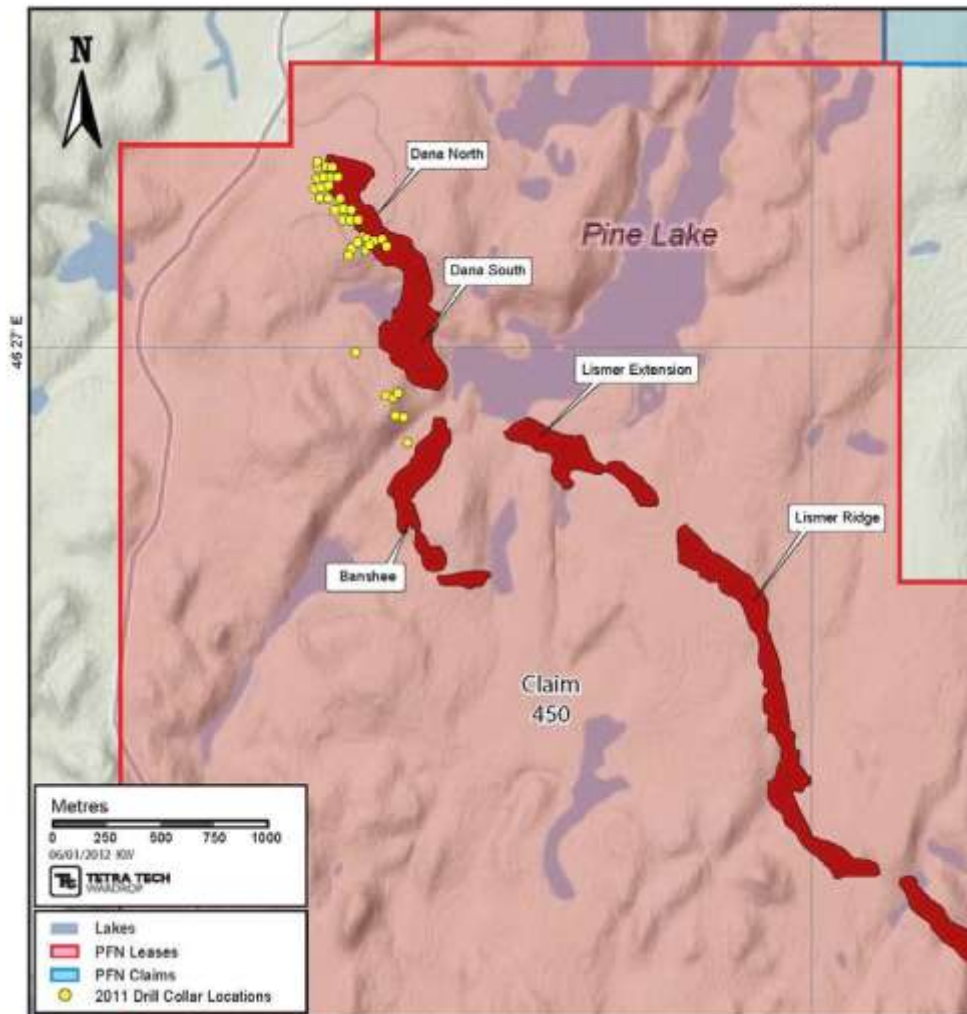




**Figure 2.** Geology Map of River Valley PGM Project

### 2011-12 Drill Results

Drilling continued to establish continuity between previously-identified mineralized intercepts on the deposit. At shallow to moderate depths, drilling encountered moderate to high-grade gold mineralization in most of the holes drilled. Low-grade gold mineralization ranging 0.5 to 1.5 grams per tonne ("gpt" or "g/t") was encountered over wide intersections in many of the holes ranging 8 to 25 m in length. In some holes, multiple wide low-grade zones were cored.

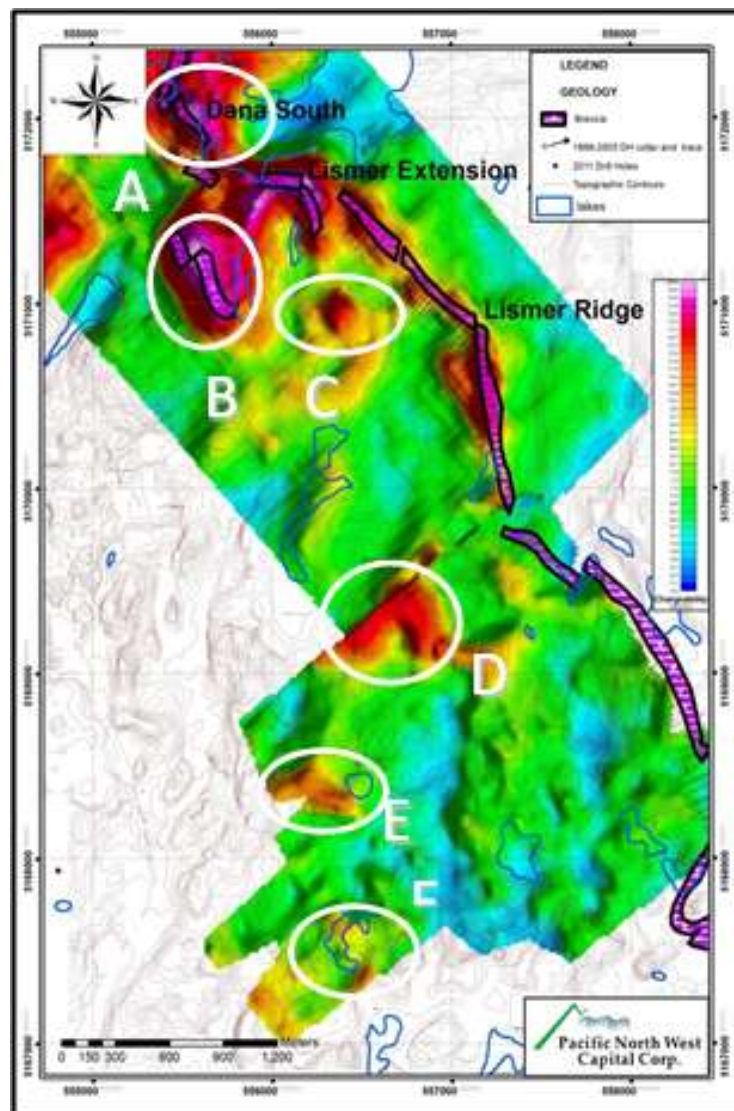


**Figure 3.** 2011-12 Drill Collar Locations

### Discussion

Work to date at River Valley suggests that the best potential for economic accumulations of PGM-copper (Cu)-nickel (Ni) sulphide mineralization is within the Breccia Zone. This zone includes the main mineralized zone. The main zone occurs within about 20 m of the intrusive contact with country rocks. This contact zone extends for over 9 km of prospective strike length and hosts the currently defined resource (Figure 4).

Main Zone of the breccia-hosted PGM mineralization averages 20-50 m in thickness, continues to depths of greater than 200 m, and is for the most part open along strike and downdip. In addition, the drilling demonstrates predictable grade to depth with significant high-grade intersections (5-10 gpt 3E<sup>1</sup> over 1-5 m & 3-5 gpt 3E over 5-10 m) enveloped by broader (commonly >20 m and sometimes >100 m) lower grade (1.0-1.5 gpt 3E) intersections.



**Figure 4.** Target areas on IP map

The continuity of mineralization and the remarkable consistency in the geology and stratigraphy along strike and at depth, suggests that there is significant potential to increase resources on the property through further extensional drilling away from the currently defined mineralized zones. Deeper holes confirmed the presence of mineralization at depths greater than 350 m (down dip and down plunge). There is a general correlation between 3D-IP geophysical survey anomalies and PGM sulphide intersections.

The intersections for most of the holes correlate with relatively high chargeability, an indication of disseminated sulphide.

<sup>1</sup> 3E= Platinum+Palladium+Gold





Table 2 illustrates significant intervals in the 2011 exploration program.

**Table 2. 2011 drill program significant intervals**

	From (m)	To (m)	Intersect (m)	Intersect (feet)	True Thick- ness (m)	Pt (gpt)	Pt (opt)	Pd (gpt)	Pd	Au (gpt)	Rh (gpt)	3E (gpt)	3E (opt)	Ni (%)	Cu (%)
<b>DN001</b>	<b>123</b>	<b>173</b>	<b>50</b>	<b>164.0</b>	40.5	<b>0.26</b>	<b>0.008</b>	<b>0.77</b>	<b>0.022</b>	<b>0.05</b>		<b>1.10</b>	<b>0.03</b>	<b>0.02</b>	<b>0.09</b>
Including	123	134	11	36.1	8.9	0.37	0.011	1.11	0.033	0.07		1.55	0.05	0.02	0.09
Including	141	153	12	39.4	9.7	0.31	0.009	0.90	0.026	0.05		1.26	0.04	0.02	0.11
Including	159	173	13	42.7	10.5	0.28	0.008	0.83	0.024	0.06		1.18	0.03	0.03	0.12
<b>DN002</b>	<b>114</b>	<b>179</b>	<b>65</b>	<b>213.3</b>	46.0	<b>0.32</b>	<b>0.009</b>	<b>0.95</b>	<b>0.028</b>	<b>0.06</b>		<b>1.30</b>	<b>0.04</b>	<b>0.02</b>	<b>0.10</b>
Including	146	158	12	39.4	8.5	0.43	0.013	1.30	0.038	0.08		1.82	0.05	0.03	0.14
Including	173	179	6	19.7	4.2	0.74	0.022	2.34	0.068	0.12		3.20	0.09	0.02	0.12
<b>DN003</b>	<b>50</b>	<b>115</b>	<b>65</b>	<b>213.3</b>	46.0	<b>0.42</b>	<b>0.010</b>	<b>1.29</b>	<b>0.038</b>	<b>0.08</b>		<b>1.80</b>	<b>0.05</b>	<b>0.03</b>	<b>0.13</b>
Including	50	59	9	29.5	6.4	0.98	0.029	3.09	0.090	0.18		4.25	0.12	0.03	0.22
Including	72	84	12	39.4	8.5	0.59	0.017	1.76	0.052	0.11		2.47	0.07	0.04	0.16
<b>DN004</b>	<b>29</b>	<b>63</b>	<b>34</b>	<b>111.5</b>	24.0	<b>0.66</b>	<b>0.020</b>	<b>2.00</b>	<b>0.060</b>	<b>0.12</b>		<b>2.80</b>	<b>0.08</b>	<b>0.03</b>	<b>0.16</b>
Including	29	40	11	36.1	7.8	1.12	0.033	3.40	0.099	0.18		4.71	0.14	0.04	0.24
Including	43	47	4	13.1	2.8	0.69	0.020	2.06	0.060	0.11		2.86	0.08	0.03	0.16
<b>DN005</b>	<b>201</b>	<b>209</b>	<b>8</b>	<b>26.2</b>	6.5	<b>0.44</b>	<b>0.010</b>	<b>1.04</b>	<b>0.030</b>	<b>0.07</b>		<b>1.55</b>	<b>0.05</b>	0.02	0.12
<b>And</b>	<b>250</b>	<b>256</b>	<b>6</b>	<b>19.7</b>	<b>4.9</b>	<b>0.41</b>	<b>0.010</b>	<b>1.11</b>	<b>0.040</b>	<b>0.07</b>		<b>1.60</b>	<b>0.05</b>	<b>0.03</b>	<b>0.14</b>
Including	253	255	2	6.6	1.6	0.60	0.020	1.62	0.050	0.09		2.31	0.07	0.04	0.18
<b>DN006</b>	<b>131</b>	<b>155</b>	<b>24</b>	<b>78.7</b>	<b>17.0</b>	<b>0.58</b>	<b>0.020</b>	<b>1.44</b>	<b>0.046</b>	<b>0.13</b>		<b>2.15</b>	<b>0.07</b>	<b>0.02</b>	<b>0.14</b>
Including	131	137	6	19.7	4.2	0.92	0.030	2.30	0.070	0.19		3.41	0.11	0.02	0.13
Including	145	155	10	32.8	7.1	<b>0.60</b>	<b>0.019</b>	<b>1.50</b>	<b>0.050</b>	<b>0.12</b>		<b>2.22</b>	<b>0.07</b>	0.03	0.17
<b>DN007</b>	<b>33</b>	<b>79</b>	<b>46</b>	<b>150.9</b>	<b>32.5</b>	<b>0.46</b>	<b>0.010</b>	<b>1.10</b>	<b>0.040</b>	<b>0.08</b>		<b>1.65</b>	<b>0.05</b>	<b>0.02</b>	<b>0.11</b>
Including	33	56	23	75.4	16.3	0.58	0.020	1.29	0.040	0.08		1.95	0.06	0.02	0.08
Including	60	62	2	6.6	1.4	0.65	0.020	1.53	0.050	0.18		2.36	0.08	0.03	0.28
Including	76	79	3	9.8	2.1	0.46	0.010	1.41	0.050	0.10		1.97	0.06	0.03	0.18
<b>DN008</b>	<b>6</b>	<b>14</b>	<b>8</b>	<b>26.2</b>	<b>5.7</b>	<b>0.76</b>	<b>0.020</b>	<b>2.38</b>	<b>0.080</b>	<b>0.13</b>		<b>3.28</b>	<b>0.11</b>	<b>0.02</b>	<b>0.15</b>
Including	9	14	5	16.4	3.5	1.03	0.030	3.24	0.100	0.18		4.45	0.14	0.03	0.18
<b>DN009</b>	<b>91</b>	<b>94</b>	<b>3</b>	<b>9.8</b>	2.4	0.40	0.010	0.99	0.030	0.01	0.040	1.40	0.05	0.01	0.01
<b>DN010</b>	<b>223</b>	<b>241</b>	<b>18</b>	<b>59.0</b>	12.7	0.35	0.010	1.18	0.040	0.06	0.030	1.59	0.05	0.03	0.10
Including	223	228	5	16.4	3.5	0.49	0.020	1.61	0.050	0.06	0.030	2.16	0.07	0.04	0.12
<b>And</b>	<b>233</b>	<b>239</b>	<b>6</b>	<b>19.7</b>	4.2	0.40	0.010	1.40	0.040	0.07	0.030	1.87	0.06	0.04	0.10
Including	233	235	2	6.6	1.4	0.64	0.020	2.38	0.080	0.12	0.030	3.14	0.10	0.04	0.15
<b>DN011</b>	<b>52</b>	<b>56</b>	<b>4</b>	<b>13.1</b>	2.8	0.75	0.020	0.83	0.030	0.01	0.420	1.59	0.05	0.00	0.01
<b>And</b>	<b>72</b>	<b>86</b>	<b>14</b>	<b>45.9</b>	9.9	0.55	0.020	1.70	0.050	0.12	0.340	2.38	0.08	0.02	0.13
Including	72	76	4	13.1	2.8	0.97	0.030	2.93	0.090	0.18	0.950	4.09	0.13	0.02	0.12
<b>And</b>	<b>134</b>	<b>187</b>	<b>53</b>	<b>173.8</b>	37.5	0.83	0.030	2.52	0.080	0.15	3.340	3.50	0.11	0.03	0.18
Including	143	156	13	42.6	9.2	0.90	0.030	2.83	0.090	0.16	1.990	3.89	0.12	0.03	0.17
<b>Including</b>	<b>171</b>	<b>182</b>	<b>11</b>	<b>36.1</b>	<b>7.8</b>	<b>1.82</b>	<b>0.060</b>	<b>5.83</b>	<b>0.190</b>	<b>0.35</b>	<b>1.320</b>	<b>8.00</b>	<b>0.26</b>	<b>0.07</b>	<b>0.38</b>
<b>And</b>	<b>223</b>	<b>231</b>	<b>8</b>	<b>26.2</b>	5.7	0.39	0.010	1.26	0.040	0.07	0.450	1.72	0.06	0.04	0.12
Including	223	226	3	9.8	2.1	0.65	0.020	2.15	0.070	0.11	0.520	2.91	0.09	0.06	0.19
<b>DN012</b>	<b>38</b>	<b>65</b>	<b>27</b>	<b>88.6</b>	19.1	0.49	0.020	1.58	0.050	0.08	0.060	2.16	0.07	0.02	0.12
Including	44	51	7	23.0	4.9	1.12	0.040	3.77	0.120	0.15	0.140	5.04	0.16	0.04	0.19
And	132	140	8	26.2	5.7	0.33	0.010	1.06	0.030	0.07	0.040	1.45	0.05	0.02	0.11
<b>DN013</b>	<b>172</b>	<b>174</b>	<b>2</b>	<b>6.6</b>	1.4	0.47	0.020	1.55	0.050	0.04	<b>2.050</b>	2.06	0.07	0.02	0.13
<b>DN014</b>	<b>366</b>	<b>396</b>	<b>30</b>	<b>98.4</b>	26.0	0.59	0.020	1.91	0.060	0.10	0.001	2.60	0.08	0.03	0.16
Including	366	368	2	6.6	1.7	1.50	0.050	4.78	0.150	0.17	0.001	<b>6.44</b>	0.21	0.05	0.26
Including	378	380	2	6.6	1.7	0.89	0.030	3.04	0.100	0.16	0.001	4.08	0.13	0.03	0.24
<b>DN015</b>	<b>254</b>	<b>261</b>	<b>7</b>	<b>23.0</b>	6.1	0.92	0.030	2.38	0.080	0.10	0.001	3.39	0.11	0.02	0.12
Including	255	257	2	6.6	1.4	0.95	0.030	3.00	0.100	0.11	0.001	4.05	0.13	0.02	0.10
Including	258	261	3	9.8	2.1	1.00	0.030	2.92	0.090	0.14	0.001	4.06	0.13	0.03	0.19
<b>DN016</b>	<b>294</b>	<b>303</b>	<b>9</b>	<b>29.5</b>	7.8	0.99	0.030	3.20	0.100	0.13	0.012	4.32	0.14	0.02	0.16
Including	294	298	4	13.1	3.5	1.58	0.050	5.44	0.170	0.19	0.021	7.21	0.23	0.04	0.27
And	328	334	6	19.7	5.2	1.05	0.030	2.86	0.090	0.13	0.010	4.04	0.13	0.05	0.21
<b>DN017</b>	<b>144</b>	<b>171</b>	<b>27</b>	<b>88.6</b>	22.4	0.69	0.020	1.99	0.060	0.12	<b>0.007</b>	2.80	0.09	0.02	0.12

Including	150	162	12	39.4	9.9	0.91	0.030	2.57	0.080	0.14	0.009	3.62	0.12	0.04	0.20
<b>DN018</b>	132	151	19	62.3	13.4	0.50	0.020	1.56	0.050	0.09	0.005	<b>2.15</b>	0.07	0.03	0.13
Including	135	140	5	16.4	3.5	0.79	0.030	2.50	0.080	0.14	0.008	3.43	0.11	0.04	0.19
<b>DN019</b>	103	116	13	42.6	9.2	0.41	0.010	1.24	0.040	0.07	0.004	1.72	0.06	0.03	0.12
Including	105	109	4	13.1	2.8	0.41	0.010	1.27	0.040	0.08	0.003	1.76	0.06	0.02	0.11
And	129	137	8	26.2	5.7	0.30	0.010	0.90	0.030	0.04	0.002	1.24	0.04	0.02	0.07
<b>Including</b>	129	131	2	6.6	1.4	0.49	0.020	1.53	0.050	0.08	0.004	2.10	0.07	0.03	0.16
<b>DN020</b>	44	54	10	32.8	7.1	0.31	0.010	0.98	0.030	0.06	0.003	1.35	0.04	0.02	0.12
Including	51	53	2	6.6	1.4	0.46	0.010	1.50	0.050	0.07	0.005	2.03	0.07	0.02	0.13
<b>DN021</b>	214	249	35	114.8	30.3	0.58	0.020	1.77	0.060	0.12	0.006	2.47	0.08	0.02	0.15
Including	216	222	6	19.7	5.2	1.13	0.040	3.71	0.120	0.22	0.015	5.06	0.16	0.04	0.24
<b>Including</b>	226	231	5	16.4	4.3	0.72	0.020	2.25	0.070	0.16	0.007	3.12	0.10	0.03	0.20
And	304	323	19	62.3	16.5	0.47	0.020	1.45	0.050	0.09	0.004	2.01	0.06	0.04	0.17
And	331	339	8	26.2	6.9	0.59	0.020	1.72	0.060	0.08	0.006	2.39	0.08	0.04	0.19
<b>DN022</b>	214	249	35	114.8	27.2	0.42	0.010	1.27	0.040	0.88	0.004	2.57	0.08	0.03	0.13
<b>Including</b>	199	203	4	13.1	3.1	0.67	0.020	2.36	0.080	0.17	0.006	3.20	0.10	0.04	0.21
Including	208	218	10	32.8	7.8	0.64	0.020	1.96	0.060	0.12	0.006	2.71	0.09	0.04	0.17
<b>DN023</b>	68	110	42	137.8	29.7	0.53	0.020	1.65	0.050	1.00	0.005	3.18	0.10	0.02	0.13
Including	88	99	11	36.1	7.8	0.75	0.020	2.54	0.080	0.14	0.008	3.43	0.11	0.04	0.19
<b>DN024</b>	25	37	12	39.4	8.5	0.68	0.020	2.08	0.070	0.12	0.007	2.88	0.09	0.03	0.16
<b>Including</b>	<b>25</b>	<b>31</b>	<b>6</b>	<b>19.7</b>	<b>4.2</b>	<b>0.93</b>	<b>0.030</b>	<b>2.90</b>	<b>0.090</b>	<b>0.15</b>	<b>0.009</b>	<b>3.97</b>	<b>0.13</b>	<b>0.03</b>	<b>0.18</b>
And	41	56	15	49.2	10.6	0.41	0.010	1.29	0.040	0.06	0.004	1.76	0.06	0.02	0.10
Including	47	50	3	9.8	2.1	0.71	0.020	1.98	0.060	0.08	0.006	2.77	0.09	0.04	0.14
And	61	72	11	36.1	7.8	0.41	0.010	1.41	0.050	0.08	0.004	1.90	0.06	0.03	0.15
<b>Including</b>	67	70	3	9.8	2.1	0.39	0.010	1.36	0.040	0.08	0.005	1.83	0.06	0.03	0.16
<b>DN025</b>	28	38	10	32.8	7.1	0.56	0.020	1.59	0.050	0.08	0.005	2.23	0.07	0.03	0.12
Including	30	33	3	9.8	2.1	1.10	0.040	2.78	0.090	0.13	0.009	4.01	0.13	0.03	0.15
<b>DN026</b>	99	112	13	42.6	11.6	0.40	0.010	1.40	0.050	0.08	0.004	1.88	0.06	0.02	0.14
Including	104	109	5	16.4	4.5	0.50	0.020	1.60	0.050	0.09	0.004	2.19	0.07	0.02	0.19
And	195	198	3	9.8	2.7	0.50	0.020	1.50	0.050	0.05	0.004	2.05	0.07	0.02	0.10
<b>DN027</b>	<b>73</b>	<b>81</b>	<b>8</b>	<b>26.2</b>	<b>5.7</b>	<b>0.40</b>	<b>0.010</b>	<b>1.10</b>	<b>0.040</b>	<b>0.03</b>	<b>0.004</b>	<b>1.53</b>	<b>0.05</b>	<b>0.01</b>	<b>0.06</b>
<b>Including</b>	73	76	3	9.8	2.1	0.70	0.020	2.00	0.060	0.06	0.007	2.76	0.09	0.02	0.09
<b>DN029</b>	22	32	10	32.8	7.1	1.00	0.030	3.30	0.110	0.20	0.011	4.50	0.14	0.07	0.28
<b>Including</b>	23	24	1	3.3	0.7	2.20	0.070	7.00	0.230	0.20	0.023	9.40	0.30	0.12	0.46
Including	24	32	8	26.2	5.7	0.90	0.030	2.70	0.090	0.20	0.009	3.80	0.12	0.06	0.27
<b>DN030</b>	3.5	18	14.5	47.6	10.3	0.70	0.020	2.10	0.070	0.10	0.008	2.90	0.09	0.04	0.17
<b>Including</b>	<b>6</b>	<b>12</b>	<b>6</b>	<b>19.7</b>	<b>4.2</b>	<b>1.01</b>	<b>0.030</b>	<b>3.23</b>	<b>0.100</b>	<b>0.15</b>	<b>0.012</b>	<b>4.39</b>	<b>0.14</b>	<b>0.04</b>	<b>0.20</b>
<b>DN032</b>	306	320	14	45.9	12.0	0.41	0.010	1.19	0.040	0.06	0.004	1.66	0.05	0.02	0.08
<b>Including</b>	<b>312</b>	<b>314</b>	<b>2</b>	<b>6.6</b>	<b>1.7</b>	<b>0.76</b>	<b>0.020</b>	<b>2.56</b>	<b>0.080</b>	<b>0.08</b>	<b>0.008</b>	<b>3.40</b>	<b>0.11</b>	<b>0.02</b>	<b>0.08</b>
And	325	358	33	108.2	28.3	0.48	0.020	1.54	0.050	0.09	0.004	2.11	0.07	0.02	0.12
<b>Including</b>	<b>332</b>	<b>339</b>	<b>7</b>	<b>23.0</b>	<b>6.0</b>	<b>1.17</b>	<b>0.040</b>	<b>3.82</b>	<b>0.120</b>	<b>0.18</b>	<b>0.011</b>	<b>5.17</b>	<b>0.17</b>	<b>0.04</b>	<b>0.21</b>
<b>DN033</b>	256	310	54	177.1	38.2	0.51	0.020	1.48	0.050	0.09	0.005	2.08	0.07	0.03	0.14
<b>Including</b>	262	274	12	39.4	8.5	0.83	0.030	2.37	0.080	0.15	0.009	3.35	0.11	0.05	0.24
<b>Including</b>	291	295	4	13.1	2.8	0.59	0.020	1.81	0.060	0.11	0.006	2.51	0.08	0.03	0.16
<b>Including</b>	306	309	3	9.8	2.1	0.93	0.030	2.83	0.090	0.13	0.011	3.89	0.13	0.02	0.15
<b>DN034</b>	5	15	10	32.8	7.1	0.59	0.020	1.42	0.050	0.10		2.11	0.07	0.03	0.13
<b>Including</b>	7	10	3	9.8	2.1	0.72	0.020	1.99	0.060	0.13		2.84	0.09	0.03	0.16
And	67	71	4	13.1	2.8	1.00	0.030	2.87	0.090	0.18		4.05	0.13	0.03	0.17
And	219	239	20	65.6	14.1	0.63	0.020	2.03	0.070	0.11		2.77	0.09	0.05	0.20
<b>Including</b>	229	233	4	13.1	2.8	1.26	0.040	4.22	0.140	0.24		5.72	0.18	0.08	0.38
And	281	297	16	52.5	11.3	0.51	0.020	1.47	0.050	0.08		2.06	0.07	0.03	0.15
<b>Including</b>	282	287	5	16.4	3.5	0.82	0.030	2.51	0.080	0.12		3.45	0.11	0.04	0.19
<b>DN035</b>	74	115	41	134.5	29.0	0.41	0.010	1.33	0.040	0.07		1.81	0.06	0.03	0.15
<b>Including</b>	<b>90</b>	<b>102</b>	<b>12</b>	<b>39.4</b>	<b>8.5</b>	<b>0.67</b>	<b>0.020</b>	<b>2.20</b>	<b>0.070</b>	<b>0.12</b>		<b>2.99</b>	<b>0.10</b>	<b>0.47</b>	<b>0.22</b>
And	209	223	14	45.9	9.9	0.75	0.020	2.25	0.070	0.11		3.11	0.10	0.03	0.16
And	249	269	20	65.6	14.1	0.37	0.010	1.11	0.040	0.06		1.54	0.05	0.03	0.12
<b>Including</b>	<b>249</b>	<b>250</b>	<b>1</b>	<b>3.3</b>	<b>0.7</b>	<b>1.45</b>	<b>0.050</b>	<b>4.78</b>	<b>0.150</b>	<b>0.19</b>		<b>6.42</b>	<b>0.21</b>	<b>0.06</b>	<b>0.26</b>
<b>DN038</b>	171	198	27	88.6	19.1	0.42	0.010	1.37	0.040	0.08		1.87	0.06	0.03	0.13
<b>Including</b>	171	175	4	13.1	2.8	0.64	0.020	2.20	0.070	0.11		2.95	0.09	0.03	0.17

Mineral	Symbol		Mineral	Symbol
Cobalt	Co		Palladium	Pd
Copper	Cu		Platinum	Pt
Gold	Au		Rhodium	Rh
Pd+Pt+Au	3E		Silver	Ag
Nickel	Ni			

## 2012 Mineral Resource Estimate (NI43-101 compliant):

The detailed results of the new mineral resources estimate for the River Valley PGM Project are presented in Table 3 below. This NI43-101 compliant mineral resource estimate was completed by Tetra Tech, Inc., an environmental engineering and consulting firm in Sudbury, Ontario. The new estimate incorporates the 13,140 m in 46 holes drilled in the Dana North and Dana South Zones since the May 2006 estimate. All 462 holes were drilled at a nominal drill section spacing of 25 m to 100 m on the eight separate mineralized zones shown in Figure 5.

The estimated NI43-101 compliant **Measured** and **Indicated** mineral resources at a cut-off grade of 0.80 g/t Palladium Equivalent ("PdEq") have increased by 470% from the previous mineral resource estimate (Technical Report by GeoSIMS filed on SEDAR, May 2006) to 91,339,500 tonnes ("t") grading 0.84 g/t Pd+Pt+ Au, 0.06% Cu, 0.02% Ni and 0.002% Co. The compliant **Inferred** mineral resources have increased by >1000% to 35,911,000 Mt grading 0.53 g/t Pd+Pt+Au, 0.06% Cu, 0.03% Ni and 0.002% Co.

The mineral resources were estimated using Datamine Studio3(c) software and are reported at a cut-off grade of 0.8 PdEq. The 0.8 g/t PdEq cut-off was used pending future assessment of the economics and development potential of River Valley as an open pit mining project. The Company considers the 0.8 g/t cut-off value to be appropriate because: 1) the PdEq grade is 1.38 gpt for Measured and Indicated and 1.07 g/t for Inferred resources; and 2) Rh and Ag are not included in the PdEq calculation.

Comparisons are made above to the previous NI43-101 compliant River Valley mineral resource estimate of May 2006 (Technical Report by GeoSIMS available on NAM's SEDAR profile at <http://sedar.com> and on the Company's website). The large increase in the mineral resources reported herein is explained by the combined effects of:

1. Incorporation of the 2011 resource drilling results;
2. Inclusion of three mineralized zones that were previously overlooked;
3. Use of PdEq rather than Pd+Pt cut-off grades; and
4. Use of a length-weighted average Specific Gravity value of 2.94 measured for River Valley rather than the previous value of 2.89.

**Table 3.** NI43-101 Compliant Mineral Resources for the River Valley PGM Project, Sudbury, Ontario

Measured												Contained Metal	
Zone	PdEq Cut-off	TONNES	Pd	Pt	Rh	Au	Ag	Cu	Ni	Co	PdEq	PGM+Au	PdEq
	(g/t)		(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)	(%)	(g/t)	(oz)	(oz)
Azen	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Banshee	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Dana North	0.80	9,622,180	0.66	0.24	0.023	0.05	0.70	0.07	0.02	0.003	1.56	295,747	468,612
Dana South	0.80	5,980,550	0.79	0.26	0.027	0.05	0.56	0.06	0.01	0.003	1.68	210,735	313,237
Lismer	0.80	9,982,120	0.50	0.20	0.018	0.04	0.40	0.05	0.02	0.003	1.24	235,646	386,598
Lismer Extension	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Razor	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Varley	0.80	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Measured</b>		<b>25,584,850</b>	<b>0.63</b>	<b>0.23</b>	<b>0.022</b>	<b>0.04</b>	<b>0.55</b>	<b>0.06</b>	<b>0.02</b>	<b>0.003</b>	<b>1.46</b>	<b>742,127</b>	<b>1,168,447</b>
Indicated												Contained Metal	
Zone	PdEq Cut-off	TONNES	Pd	Pt	Rh	Au	Ag	Cu	Ni	Co	PdEq	PGM+Au	PdEq
	(g/t)		(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)	(%)	(g/t)	(oz)	(oz)
Azen	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Banshee	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Dana North	0.80	14,076,300	0.60	0.22	0.021	0.04	0.52	0.07	0.02	0.003	1.45	392,562	635,796
Dana South	0.80	8,040,000	0.70	0.24	0.024	0.04	0.59	0.05	0.01	0.003	1.49	252,029	373,248
Lismer	0.80	16,300,300	0.48	0.19	0.018	0.04	0.05	0.06	0.02	0.003	1.25	371,212	638,230
Lismer Extension	0.80	13,690,300	0.57	0.23	0.021	0.04	0.12	0.06	0.02	0.002	1.37	365,153	586,774
Razor	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Varley	0.80	13,647,800	0.53	0.21	0.019	0.03	0.17	0.05	0.01	0.002	1.27	339,978	540,424
<b>Total Indicated</b>		<b>65,754,700</b>	<b>0.56</b>	<b>0.21</b>	<b>0.020</b>	<b>0.04</b>	<b>0.26</b>	<b>0.06</b>	<b>0.02</b>	<b>0.002</b>	<b>1.35</b>	<b>1,720,935</b>	<b>2,774,470</b>
Measured+Indicated												Contained Metal	
Zone	PdEq Cut-off	TONNES	Pd	Pt	Rh	Au	Ag	Cu	Ni	Co	PdEq	PGM+Au	PdEq
	(g/t)		(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)	(%)	(g/t)	(oz)	(oz)
Azen	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Banshee	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Dana North	0.80	23,698,480	0.63	0.23	0.022	0.04	0.59	0.07	0.02	0.003	1.49	688,309	1,104,408
Dana South	0.80	14,020,550	0.74	0.25	0.025	0.04	0.58	0.05	0.01	0.003	1.57	462,764	686,484
Lismer	0.80	26,282,420	0.49	0.19	0.018	0.04	0.18	0.06	0.02	0.003	1.25	606,858	1,024,827
Lismer Extension	0.80	13,690,300	0.57	0.23	0.021	0.04	0.12	0.06	0.02	0.002	1.37	365,153	586,774
Razor	0.80	-	0.00	0.00	-	0.00	0.00	0.00	0.00	-	0.00	-	-
Varley	0.80	13,647,800	0.53	0.21	0.019	0.03	0.17	0.05	0.01	0.002	1.27	339,978	540,424
<b>Total Measured+Indicated</b>		<b>91,339,550</b>	<b>0.58</b>	<b>0.22</b>	<b>0.021</b>	<b>0.04</b>	<b>0.34</b>	<b>0.06</b>	<b>0.02</b>	<b>0.002</b>	<b>1.38</b>	<b>2,463,062</b>	<b>3,942,917</b>
Inferred												Contained Metal	
Zone	PdEq Cut-off	TONNES	Pd	Pt	Rh	Au	Ag	Cu	Ni	Co	PdEq	PGM+Au	PdEq
	(g/t)		(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)	(%)	(g/t)	(oz)	(oz)
Azen	0.80	16,095,000	0.37	0.15	0.014	0.03	0.08	0.05	0.03	0.001	1.11	285,081	559,956
Banshee	0.80	3,320,000	0.35	0.19	0.015	0.03	-	0.05	0.01	-	1.00	61,659	103,387
Dana North	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Dana South	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Lismer	0.80	303,000	0.31	0.13	0.012	0.03	-	0.06	0.02	0.002	0.92	4,584	8,747
Lismer Extension	0.80	-	-	-	-	-	-	-	-	-	-	-	-
Razor	0.80	16,163,000	0.36	0.12	0.013	0.02	0.16	0.06	0.03	0.003	1.05	262,468	528,164
Varley	0.80	30,000	0.30	0.15	0.012	0.03	-	0.07	0.01	0.002	0.94	459	882
<b>Total Inferred</b>		<b>35,911,000</b>	<b>0.36</b>	<b>0.14</b>	<b>0.014</b>	<b>0.03</b>	<b>0.11</b>	<b>0.06</b>	<b>0.03</b>	<b>0.002</b>	<b>1.07</b>	<b>614,252</b>	<b>1,201,137</b>
Note: due to rounding, some totals may not appear to total properly													
Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues.													

### Notes to Mineral Resources in Table:

1. The mineral resource estimates use the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by CIM Standing Committee on Reserve Definitions and adopted by CIM Council on November 27, 2010. The mineral resource estimates provided in this report are classified as "measured", "indicated", or "inferred" as defined by CIM. According to the CIM definitions, a Mineral Resource must be potentially economic in that it must be "in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction".

2. For the River Valley PGM Project, a PdEq cut-off grade was assigned based on economic assumptions from comparisons to other projects, and was used in the resource estimations. Resources reported in this press release use a cut-off of 0.80 g/t PdEq. Grades have assumed 100% recoveries. The parameters used to generate the PdEq value are provided below:

$$\text{PdEq} = ((\text{Au grade} \times \$\text{Au} \times \text{Factor1}) + (\text{Pt grade} \times \$\text{Pt} \times \text{Factor1}) + (\text{Pd grade} \times \$\text{Pd} \times \text{Factor1}) + (\text{Ni grade} \times \$\text{Ni} \times \text{Factor2}) + (\text{Cu grade} \times \$\text{Cu} \times \text{Factor2}) + (\text{Co grade} \times \$\text{Co} \times \text{Factor3})) / (\$ \text{Pd} \times \text{Factor1})$$

$$\$ \text{Au} = \text{US\$1271 per oz.}$$

$$\$ \text{Pt} = \text{US\$1885 per oz.}$$

$$\$ \text{Pd} = \text{US\$896 per oz.}$$

\$Ni = US\$ 9.74 per lb.

\$Cu = US\$3.00 per lb.

\$Co = US\$15.90 per lb.

Factor1 = 0.0321508 (converts ounce per tonne to grams per tonne)

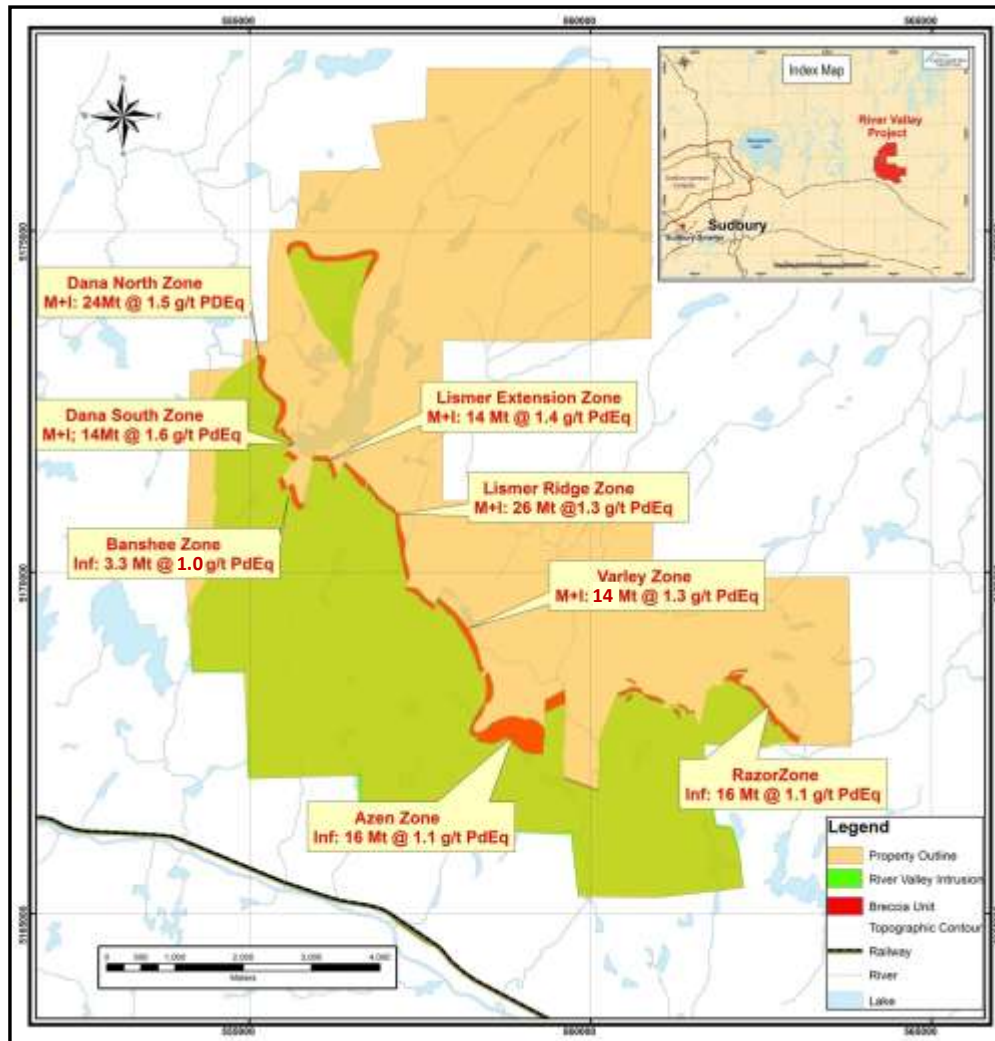
Factor2 = 22.04622 (converts pounds to grade percent)

Factor3 = 0.002205 (converts pounds to ppm)

3. The mineral resources were estimated using a block model with parent blocks of 10m x 10m x 5m and using ordinary kriging (OK) methods for grade estimation. A total of eight individual mineralized domains were identified. The determination technique of the mineral resource is based on the combination of geological modelling, geostatistics and conventional block modelling using the OK method of grade interpolation. The block model resource estimate prepared by the Tetra Tech, Inc., was based on more than 96,980 m of diamond drilling in 462 diamond drill holes. The assay data was reviewed and a composite interval of 2.0 m was used. Statistical and Variogram analyses were performed to determine the "nugget effect".

4. Rhodium grades were not estimated by the OK methodology. Rh values were determined using a regression formula based on the Pt and Pd grades. Rh values are not incorporated into the PdEq value. The PdEq value also does not include Ag.

5. The QAQC protocols and corresponding sample preparation and shipment procedures for the River Valley Project have been reviewed and approved by Tetra Tech, Inc.



**Figure 5.** illustrates the distribution of the 2012 PGM mineral resources in the River Valley deposit.



#### D - Environmental baseline studies:

The Company commissioned DST Consulting Engineers of Thunder Bay, Ontario to complete a preliminary environmental baseline study in the area of the River Valley deposit.

The project is expected to require the completion of provincial and federal environmental assessments and permits prior to development. Environmental baseline studies are the foundation for the overall achievement of the environmental assessment under provincial and federal regulatory requirements. Baseline data collected in project development becomes important in facilitating future mine permitting such as meeting the requirements of the Metal Mining Effluent Regulations.

The Environmental Impact studies will be instrumental in moving the River Valley PGM Project through Preliminary Assessment studies with a view to advancing the project. More particularly, the studies are intended to assess the environmental impacts of the construction and operation of the possible mine site and related facilities.

The first component of the environmental baselines studies has been initiated, and covered the fourth quarter (Q4) of 2011. Aquatic baseline sampling performed in November 2011 for surface water, sediment quality and benthic invertebrates. Long-term monitoring of water quality, sediment, benthos, and fish are typical aspects of environmental effects monitoring (Environment Canada, 2002).

#### E - Metallurgical Studies

In September 2012 two diamond drill holes were drilled inside the River Valley PGM Project; one at Dana North Zone and the other 600 m to the south at Dana South Zone. The holes were planned to validate the geological models and maximize amount of mineralized sample material for the metallurgical test-work study. Dana North and Dana South Zones were selected for drill sampling because they are the most accessible and best understood of the eight known PGM mineralized zones, and therefore the likely starting location of any potential mining operation at River Valley. The hole at Dana North was drilled for 300 m obliquely down-dip where the zone shows a consistent orientation laterally. The Dana South hole was drilled vertically for 300 m in deference to its relatively more irregular orientation laterally.

The two drill holes each intersected PGM mineralization throughout their entire length. Dana North hole DNZ2012-MET1 intersected 298 m grading 1.9 g/t Pd+Pt+Au, 0.125% Cu and 0.024% (i.e., 2.9 g/t PdEq) Ni from 2 m down-hole. This long intersection included: 23 metres grading 2.5 g/t Pd+Pt+Au, 0.151% Cu and 0.033% Ni from 126 m down-hole (i.e., 3.8 g/t PdEq); and 144 m grading 2.6 g/t Pd+Pt+Au, 0.156% Cu and 0.028% Ni (i.e., 3.9 g/t PdEq) from 156 m down-hole. The hole ended in PGM mineralization.

In the Dana South zone; hole number DSZ2012-MET1 intersected 299 m grading 1.2 g/t Pd+Pt+Au, 0.076% Cu and 0.016% Ni (i.e., 1.9 g/t PdEq) from 1 m down hole (Table 4). This intersection included: 1) 46 m grading 2.8 g/t Pd+Pt+Au, 0.168% Cu and 0.031% Ni (i.e., 4.2 g/t PdEq) from 1 m down-hole; and 2) 90 m grading 1.8 g/t Pd+Pt+Au, 0.096% Cu and 0.018% Ni (i.e., 2.6 g/t PdEq) from 149 m down-hole. Lithologically the Dana South hole intersected more rock types than the Dana North hole, but it also ended in PGM mineralization.

Each hole provided approximately 700 kilograms “(kg)” of core material, allowing for: 1) extensive test work on a single composite sample from each zone plus an overall composite sample of the two zones; and 2) comprehensive assaying and Quantitative Evaluation Of Minerals By Scanning Electron Microscopy (“QEMSCAN™”) studies to follow the PGM during the test work.

The holes were drilled in July 2012 using a single drill rig operated by Major Drilling Group International Inc. After logging, each of the drill cores was cut into equal halves with a diamond saw. Half of the core was sent to SGS Canada Inc.’s processing facilities at Lakefield, Ontario (“SGS Lakefield”) for the metallurgical testwork. The remaining half was cut into equal halves, one of which was kept in storage for reference and the other half sampled at 1 m intervals and shipped to SGS Lakefield for sample preparation and assay. In total, 567 samples from the two drill holes were assayed (plus 63 quality assurance/quality control (“QAQC”) samples).

The metallurgical testwork samples were received by SGS Lakefield in early August. A total weight of 713 kg was received for the Dana North hole and 710 kg for the Dana South hole. Composite samples for each of the holes (Dana North and Dana South) and for both holes (Dana North plus Dana South) were prepared, for a total of three samples. The prepared composite samples are stored in freezer storage.

Mr. Al Hayden, P.Eng. and Associate of NordPro Mine & Project Management Services (Thunder Bay) was hired by NAM as its metallurgical consultant to supervise the study and review results.

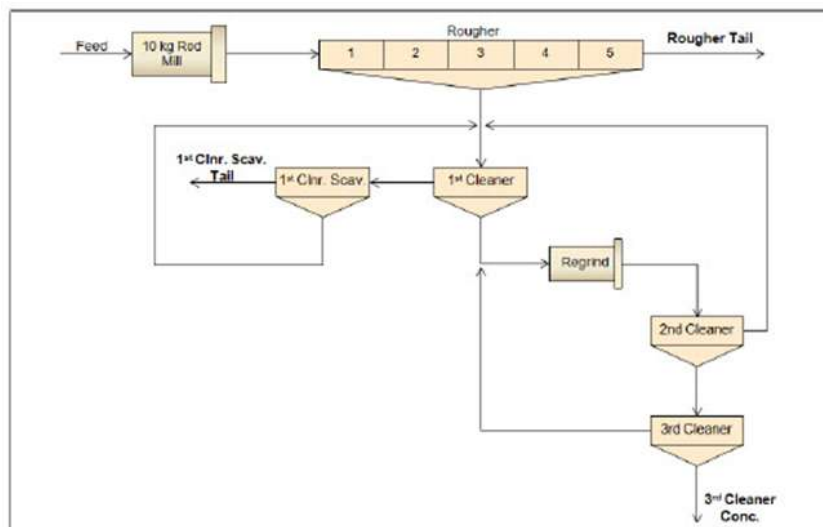
The testwork completed by SGS Lakefield in April 2013 and involved Bond grindability and abrasion studies, sample compositing, physical and chemical analyses, and bench scale flotation tests to make high-grade sulphide concentrate. Results show that the PGMs float with Cu-Ni sulphides, and therefore demonstrate potential for a sulphide concentrator to effectively process River Valley deposit material. SGS Lakefield recommends additional testwork to determine the optimal grind size for PGM separation and further improve concentrate grade and metal recovery. A copy of the SGS Lakefield report is available for viewing on the Company’s website.

### **Metallurgical Testwork Results**

Metallurgical testwork was carried out on an Overall Composite sample prepared from half-core intervals from the Dana North Zone and the Dana South Zone of the River Valley PGM deposit. Testwork involved mineralogical and chemical analysis, Bond Rod and Ball mill grindability, and Bond abrasion testing on each of the Dana North and Dana South Zone composites. Mineralogical analysis determined that the main minerals are amphibole/pyroxene and plagioclase, consistent with gabbro-norite intrusive host rock type. Chalcopyrite is the sole copper mineral phase and pentlandite the primary nickel sulphide phase. However, sulphides hold only 35% to 45% of the total nickel; the remaining percentage is held in silicates and therefore unrecoverable. The Bond rod mill grindability tests at 14 mesh of grind (1180 micrometres) identified each of the two composites as very hard, with Rod Mill Work Index at ~20.0 kWh/t. A Bond ball mill grindability test at 150 mesh (106 micrometres) identified each of the two composites as hard to very hard, with a Ball Mill Work Index of 18.8 kWh/t for DNZ and 19.5 kWh/t for Dana South Zone. The Bond Abrasion tests determined each composite to be in the moderate to hard abrasive range.

Flotation testwork was completed on the Overall Composite in order to: 1) develop a viable flowsheet; 2) evaluate parameters such as primary grind and regrind fineness, reagents and dosages; and 3) generate a concentrate that targeted a grade of ~200 g/t PGM. Eleven rougher kinetics tests were performed to evaluate effective reagents, dosages, flotation time and primary grind fineness. Cleaner tests were undertaken to investigate cleaner circuit configuration, depressants and regrind fineness. The best test produced a concentrate grading 8.94% Cu, 1.22% Ni and 109 g/t PGM at recoveries of 86.8% for Cu, 26.7% for Ni and 73.1% for PGM.

A single locked cycle test (“LCT”) was completed applying the flowsheet and conditions of the final cleaner test (Figure 6). The primary grind was at P80 = 71  $\mu$ m and the regrind at P80 = 19  $\mu$ m. The LCT produced a concentrate grading 15.5% Cu, 1.67% Ni and 189 g/t PGM at recoveries of 84.4% Cu, 22.2% Ni and 68.7% PGM (Table 5). The 3rd cleaner concentrate from the LCT was submitted for multi-element analysis. In addition to Pt, Pd, Au, Cu and Ni, which would all be payable, Rh, Co and AG are present a level which are likely also be payable. Conversely, contents of magnesium, arsenic, antimony, bismuth, and selenium are all below the problematic limits for marketability.



**Figure 6.** Flow sheet for Locked Cycle Test by SGS.

**Table 4.** Metallurgical Drill Hole Intersections

Hole	Zone	From (m)	To (m)	Interval (m)	Pd (g/t)	Pt (g/t)	Au (g/t)	3E (g/t)	Cu%	Ni%	PdEq (g/t)*
DNZ2012-MET1	Dana North	2	300	<b>298</b>	1.397	0.449	0.086	1.932	0.125	0.024	2.929
<b>including</b>	<b>Dana North</b>	<b>126</b>	<b>149</b>	<b>23</b>	<b>1.780</b>	<b>0.599</b>	<b>0.130</b>	<b>2.509</b>	<b>0.151</b>	<b>0.033</b>	3.817
<b>including</b>	<b>Dana North</b>	<b>156</b>	<b>300</b>	<b>144</b>	<b>1.894</b>	<b>0.595</b>	<b>0.109</b>	<b>2.598</b>	<b>0.156</b>	<b>0.028</b>	3.867
DSZ2012-MET1	Dana South	1	300	<b>299</b>	0.874	0.292	0.052	1.218	0.076	0.016	1.856
<b>including</b>	<b>Dana South</b>	<b>1</b>	<b>47</b>	<b>46</b>	<b>2.001</b>	<b>0.652</b>	<b>0.125</b>	<b>2.778</b>	<b>0.168</b>	<b>0.031</b>	4.167
<b>including</b>	<b>Dana South</b>	<b>149</b>	<b>239</b>	<b>90</b>	<b>1.295</b>	<b>0.399</b>	<b>0.061</b>	<b>1.755</b>	<b>0.096</b>	<b>0.018</b>	2.576

\*PdEq=((Au grade\*\$Au\*0.03215)+(Pt grade\*\$Pt\*0.03215)+(Pd grade\*\$Pd\*0.03215)+(Ni grade\*\$Ni\*22.046)+(Cu grade\*\$Cu\*22.046))/(\$Pd\*0.03215)

where \$Au US\$1271/oz, \$Pt = US\$1885/oz, \$Pd = US\$896/oz/, \$Ni = US\$9.74/lb, \$Cu = US\$3.00/lb

**Table 5.** Metallurgical results for the Locked Cycle Test by SGS.

Product	Weight%	Assays				Distribution			
		Cu%	Ni%	S%	PGM g/t	Cu%	Ni%	S%	PGM%
Head Grade*	100	0.11	0.043	0.25	1.58	100	100	100	100
Rough Conc	6.6	1.44	0.230	3.30	18.70	89.3	35.1	87.4	77.5
Rougher Tail	93.4	0.012	0.030	0.03	0.38	10.7	64.9	12.6	22.5
1st Cleaner Scav Tail	6.0	0.09	0.093	0.81	2.32	4.9	12.9	19.6	8.8
<b>3rd Cleaner Conc</b>	<b>0.6</b>	<b>15.50</b>	<b>1.670</b>	<b>29.10</b>	<b>189.00</b>	<b>84.4</b>	<b>22.2</b>	<b>67.7</b>	<b>68.7</b>
*Head grade of the Overall Composite for the Dana North and Dana South Zones									

### **Metallurgical Testwork Recommendations:**

SGS Lakefield make the following recommendations for further testwork on River Valley:

1. Further investigate the effect of primary grind size on flotation recovery;
2. Flotation optimization testing in order to achieve further improvement of concentrate grade and metal recovery; and
3. Flotation and grindability variability testing on the composite samples in order to identify the variability of flotation performance. Subsequently, variability testing should be extended to investigate a broader range of samples from each of the mineralized zones at the River Valley PGN Project, to investigate the effect of feed grade and rock type on metallurgy.

#### **5.1.4. Exploration & Development Plans**

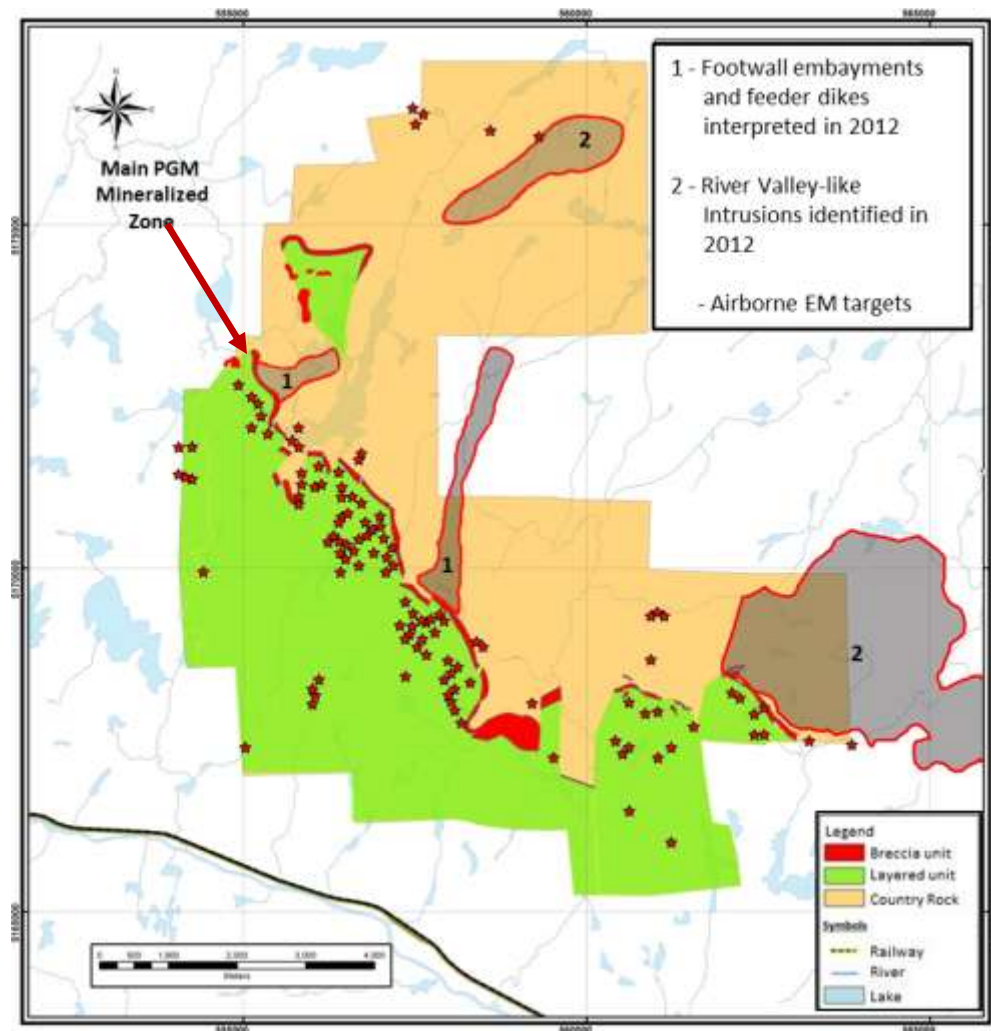
Plans for the foreseeable future include Phase 2 Metallurgical Studies and execution of the exploration drill program. A detailed plan is in preparation with SGS Lakefield for Phase 2 Metallurgical Studies. The testwork will involve an expanded range of samples, grades, rock types and depths for the River Valley deposit. The exploration drill program will consist of up to twenty drill holes, carefully designed to test the best two or three drill targets. Some of the holes will be selected for down-hole IP surveys in order to detect and model the location of off-hole mineralization for subsequent drilling.

NAM's technical team seized the opportunity afforded by the slowdown in exploration to reassess the potential exploration upside of the River Valley PGM Project. Compilation and integration of high quality geophysical and drilling datasets produced numerous drill-ready targets along strike, down-dip and in the immediate footwall to the main PGM mineralized zones. The targets have been ranked and prioritized for drill testing. A formal application for an exploration program, including drilling and geophysics, has won approval from the provincial government with input for local communities and Aboriginal Peoples, as mandated under the new mining laws of Ontario.

Figure 7 illustrates hundreds of anomalies that have been identified internally within River Valley Intrusion (reefs), adjacent country rocks (possible magmatic embayment and feeder features) and newly discovered River Valley like intrusions.

Potential exists for expanding the size of the PGM resources even more through extensional and additional drilling along strike, across strike and down-dip of the mineralized zones as currently defined. Inferred resources can be advanced to indicated and measured resources through denser drilling at the Banshee, Azen and Razor zones. Furthermore, exploration of new targets (i.e., reef-style mineralization) generated internally within the River Valley Intrusion) and in the adjacent country rocks (i.e., magmatic feeder zones) could result in discovery of new resources.

With regard to project development, the next logical steps are for proper metallurgical testing of fresh mineralized rock by an independent laboratory, continued baseline environmental studies, and development of a community relations program. Pending results, these steps would ultimately lead a Preliminary Economic Assessment (aka Scoping Study) of the economics and development potential of the River Valley PGM Project as a large open pit mine and mill operation.



**Figure 7.** Location of hundreds of anomalies that has been identified in the River Valley Project

### 2011 and 2012 Quality Assurance and Quality Control (QA/QC)

All diamond drill core samples were submitted to SGS Laboratories, Toronto, Ontario and assayed for Pt, Pd, Au, Cu and Ni and a 33 element ICP (inductively coupled plasma) suite. Concentrations of Pt-Pd-Au were determined using standard lead fire assay, followed by dissolution with aqua-regia, and measurement with an ICP finish. Lower limited of detection (30 g sample) are 1 parts per billion (“ppb”) for Au and Pd and 10 ppb for Pt; upper limits are 10,000 ppb by ICP. Concentrations of Cu-Ni were determined by ICP methods with detection limit of 0.5 parts per million (“ppm”) for Cu and 1 ppm for Ni; upper limit for both Cu and Ni is 1 %.

One standard and one blank were inserted every 40 samples into the sample stream. Duplicates were taken each twentieth sample. This practice continued throughout 2011 Phase IA drilling and included the preparation and insertion of new and necessary standards at the cut-off grade and at the mean grade of the deposits. All sample preparation has been conducted and directed on site by contract geologists and samplers hired by NAM.

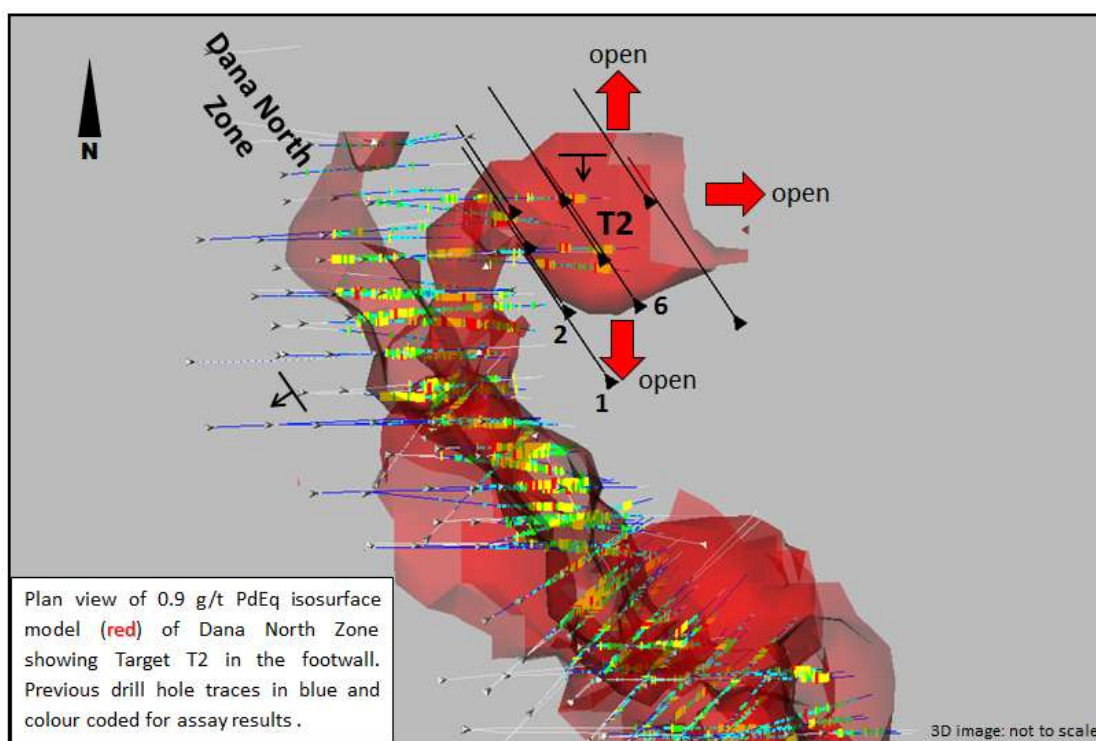
### 2015 Exploration Program

Following the Company’s strategy of exploring and developing a new primary PGM mining camp in Canada, the company announced that a drilling is anticipated to commence in late January. The 2015 drill program aimed at targeting shallow, high-grade PGM mineralization and extending the River Valley deposit farther to the east, along the trend of a surface induced polarization (IP) chargeability anomaly, dubbed Target T2. The main objectives of the T2 Drill Program are two-fold: 1) drill test for the presence



of high-grade mineralization that was previously drilled obliquely down-dip; and 2) drill test a new geological model for this part of the host River Valley Intrusion. Two-to three new holes are planned to be drilled from south to north (rather than from east to west) orthogonally across the dip of the T2 target. Targeted depths are 150m to 200m vertically below surface. The drill results will provide more accurate data on the true nature and thickness of the PGM mineralization in the target area. Three-dimensional modelling results for the current exploration database suggest that the T2 portion of the River Valley Intrusion rotated during movement along Grenville age faults. Such deformation-related rotations have not previously been recognized at River Valley and present new opportunities for targeting high grade PGM mineralization.

Approximately 500 metres of diamond drilling is planned for the Program (Phase 1), with potential to increase the amount up to at least 2000 metres (Phase 2), depending on success. Within the scope of an increased Program, NAM also plans to carry out new surface and borehole induced polarization. (BHIP) surveys above, within and under T2. Permits required for the drilling have been received and preparations are underway.



**Figure 8.** Location and plan for drill testing Target T2 at Dana North Zone, River Valley PGM deposit near Sudbury, Ontario. Design holes 1 and 2 ± 6 are prioritized for drilling (Phase 1). Success could trigger drilling the remaining 6-7 planned holes (Phase 2)

On 11 March 2015, the Company announced results from the winter 2015 Drill Program River Valley platinum group metal (“PGM”) deposit. Two diamond holes drilled to test a new target area each returned significant intersections of PGM-Cu sulphide mineralization hosted in favourable River Valley Intrusion rocks.

### **Highlights**

- Hole 2015-DN002 intersected **18 metres grading 2.786 grams per tonne (“g/t”) palladium plus platinum (Pd+Pt), 0.095 g/t Au, 0.217% Cu** from 137 metres downhole, including **9 metres grading 3.909 g/t Pd+Pt, 0.121 g/t Au and 0.264% Cu** from 145 metres downhole.

- Hole 2015-DN001 intersected **16 metres grading 2.054 g/t Pd+ Pt, 0.091 g/t Au and 0.179% Cu** from 184 metres downhole, including **5 metres grading 2.442 g/t Pd+Pt, 0.092 g/t Au and 0.166% Cu** from 184 metres downhole and **5 metres grading 2.752 g/t Pd+Pt, 0.123 g/t Au and 0.259% Cu** from 193 metres downhole.
- PGM-Cu Mineralization appears to be structurally offset from the Dana North Zone
- Host rocks and inverted stratigraphy confirm new geological model for north part of the River Valley PGM deposit
- Additional drilling planned to expand this new mineralized zone and to test similar exploration targets elsewhere at River Valley

### **Drill Results**

Assay results from the winter 2015 Drill Program are tabulated below:

**Table 6. Assay Results from winter 2015 Drill Program at River Valley PGM Project near Sudbury, Ontario**

Hole ID	Interval	From (m)	To (m)	Length (m)	Pd (g/t)	Pt (g/t)	Au (g/t)	Cu%	Ni%	Co%	S%	Pd+Pt (g/t)
2015-DN001	1	153	155	2	2.185	0.610	0.118	0.132	0.028	0.004	0.29	2.795
2015-DN001	2	184	200	16	1.554	0.501	0.091	0.179	0.037	0.004	0.46	2.054
2015-DN001	incl	184	189	5	1.846	0.596	0.092	0.166	0.034	0.004	0.41	2.442
2015-DN001	incl	193	198	5	2.100	0.652	0.123	0.259	0.054	0.005	0.72	2.752
2015-DN001	3	213	214	1	1.210	0.700	0.043	0.033	0.009	0.002	0.06	1.910
2015-DN002	1	129	134	5	1.180	0.404	0.065	0.153	0.036	0.004	0.54	1.584
2015-DN002	incl	129	132	3	1.537	0.527	0.082	0.196	0.196	0.005	0.67	2.063
2015-DN002	2	137	155	18	2.117	0.668	0.095	0.217	0.048	0.006	0.63	2.786
2015-DN002	incl	145	154	9	2.990	0.919	0.121	0.264	0.059	0.006	0.72	3.909

*Note: Intersections listed may not be true thicknesses, which are generally estimated to be about 80% of downhole lengths.*

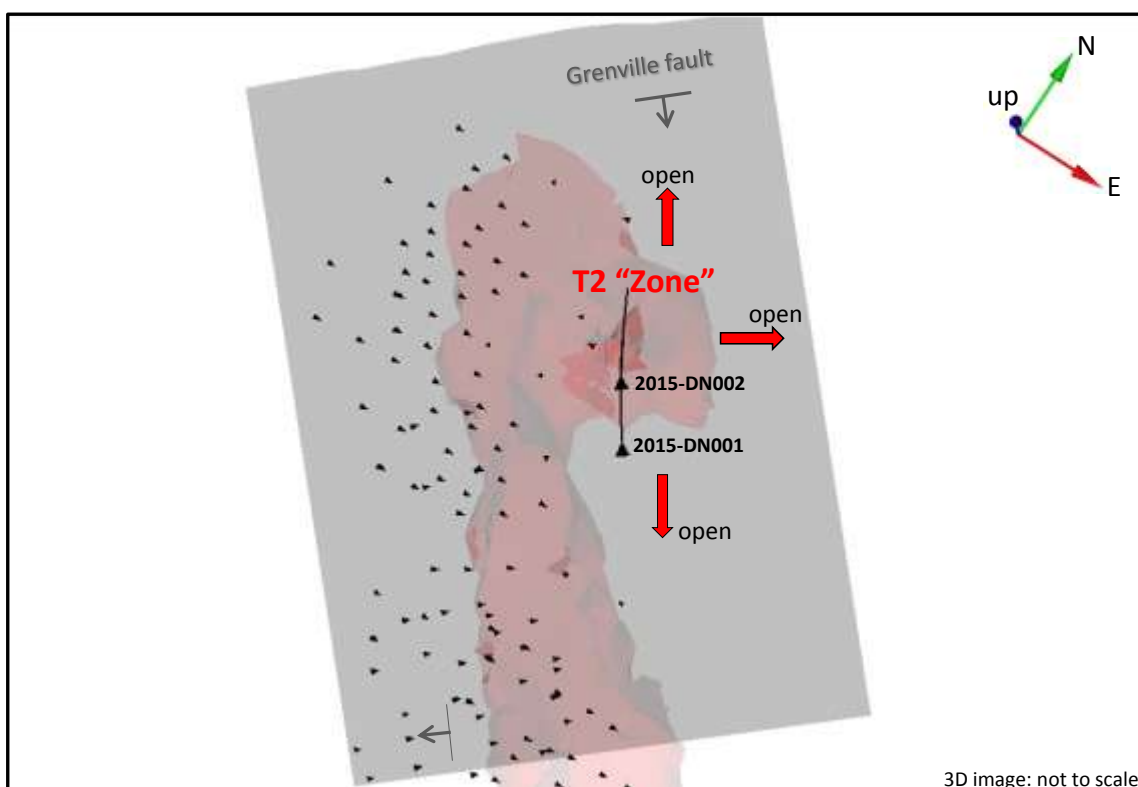
The high grade assay results and near-surface occurrence of the mineralization indicate that the north part of the River Valley deposit is the most prospective of the entire property. NAM plans to follow-up aggressively with additional drill holes designed to expand and define extents of the new zone.

The PGM-Cu deposit at River Valley is hosted in a distinctive gabbro Breccia Unit on or near the contact of the Paleoproterozoic age River Valley Intrusion with footwall rocks of the Grenville Province. The Breccia hosted PGM-Cu deposit has been traced in outcrops, trenches and drill holes for 12 km along strike on NaM's property and drilled to an average depth of only 220 metres below surface. The deposit consists of 10 mineralized zones separated by faults with apparent offsets of up to at least 1 km. The northernmost mineralized zone, Dana North, appears in map view to be truncated to the north by a Grenville fault. The Winter 2015 Drill Program was designed to test the target (dubbed T2) for evidence of right-angle rotation of the Dana North Zone into structural coincidence with that fault below a surface IP chargeability anomaly (Figure 9).

2015-DN001 (drilled at -60 degrees towards 325 degrees for 258 metres). This drill hole was designed to test: 1) the new geological model for this part of the host River Valley Intrusion; and 2) the presence of high grade mineralization that was previously drilled obliquely down-dip (see NAM press release dated 27 January 2015).

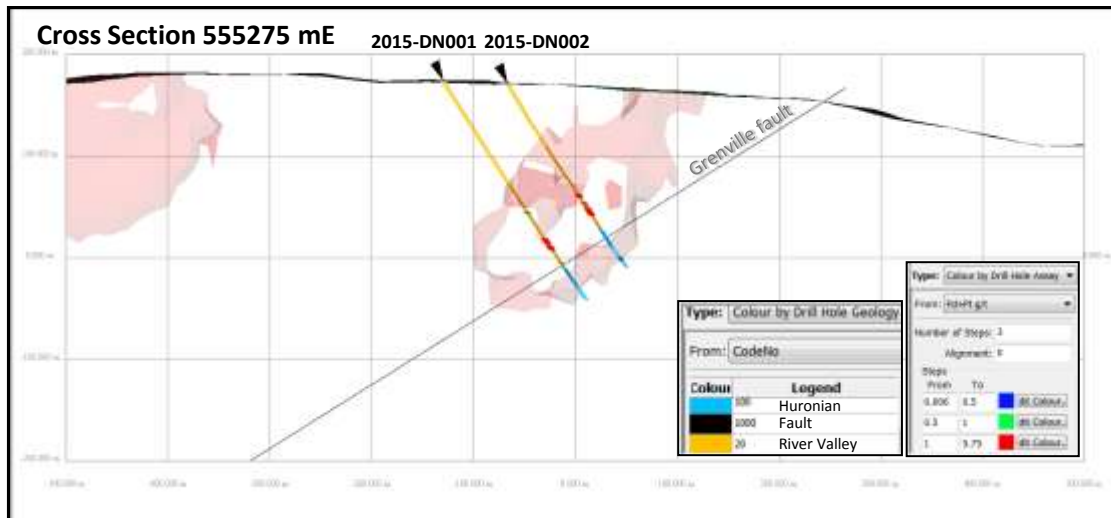
The hole was drilled from southeast to northwest (rather than from east to west) to cut more orthogonally across the dip of the T2 Target. The hole intersected River Valley rocks immediately below overburden, the favourable Breccia Unit from 146 metres to 220 metres, Huronian (younger) sedimentary rocks from 220 metres to 224 metres, Grenville fault from 224 metres to 225 metres, and Huronian sedimentary rocks again from 225 metres to end of hole (Figure 9). The hole intersected three intervals of PGM-Cu mineralization (Table 6) within the favourable Breccia Unit.

2015-DN002 (drilled at -60 degrees towards 325 degrees for 216 metres). This drill hole was collar 60 metres along azimuth 325 degrees from hole 2015-DN001 in order to achieve the same objectives as the latter, but farther up-dip on the same cross section (Figure 9). This hole intersected River Valley Intrusion below overburden, the favourable Breccia Unit from 89 metres to 170 metres, younger Huronian sedimentary rocks from 170 metres, Grenville fault from 203 metres, and Huronian sedimentary rocks again from 207 metres to end of hole. The hole intersected two intervals of PGM-Cu mineralization (Table 6) within the favourable Breccia Unit.

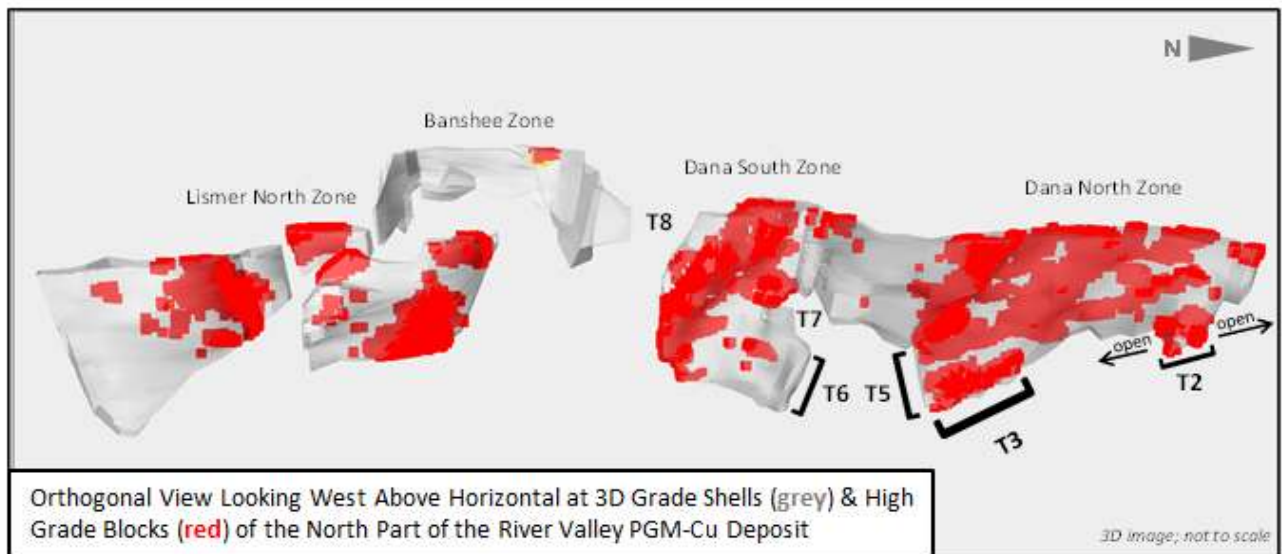


**Figure 9.** Surface drill collar locations and hole traces (black) with River Valley deposit shell shown in red and underlying Grenville fault in grey.

Dr. Bill Stone, formerly Chief Consulting Geoscientist, indicates: “Intersection of high PGM grades in favourable host rocks below a surface IP chargeability anomaly definitely warrants further exploration. The inverted stratigraphy in drill holes 2015-DN001 and 2015-DN002 is consistent with rotation of the River Valley Intrusion in this area during ductile deformation along the Grenville fault. The fact that the mineralization appears to be structurally transposed from the Dana North Zone meets the criteria established at River Valley for designation of a new mineralized zone. NAM plans to follow-up with geophysical surveys and drill holes designed to expand the high grade mineralization up-dip toward surface, down-dip to depth, and along strike to the east. Furthermore, confirmation of the new geological model means that the entire north part of the River Valley PGM deposit (2 km long) will be evaluated for more such exploration targets”.



**Figure 10.** Orthogonal cross section view looking towards 235° showing drill collar locations (**black**) and hole traces with River Valley deposit shell shown in **red** and underlying Grenville fault in **grey**. The drill hole traces are colour coded for lithology and PGM assay results. Note the deposit shell is *not* clipped to the fault pending data from additional drilling.



**Figure 11.** Exploration targets along structural offsets of the four known PGM-Cu mineralized zones in the north part of the River Valley Deposit.

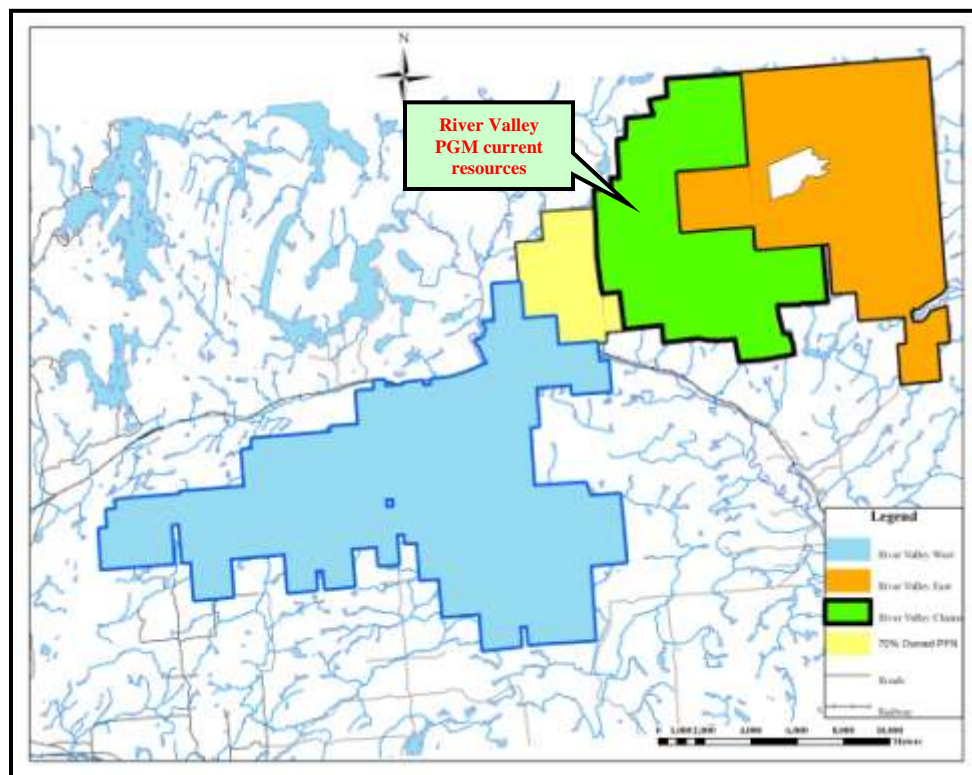
## 5.2. RIVER VALLEY EAST AND WEST PGM PROJECT, ONTARIO

The River Valley West Property is comprised of a contiguous group of 944 mining claims units in 72 mining claims and is located in Davis, Janes, Loughrin and Henry townships. The River Valley East Property claim group consists of 532 mining claims units in 35 claim units that sprawl over parts of Dana, Pardo, Hobbs and McWilliams Townships, Sudbury Mining Division. These claims were staked in May of 2011 (Figure 8). The property is situated to the east of the Sudbury Basin and north of Highway 17. It covers two rock groups that host significant concentrations of PGM mineralization; the River Valley-East Bull Lake Suite of rocks and the Nipissing Gabbro.

River Valley West claims cover branches of the River Valley Intrusion from the main intrusive body that hosts the River Valley PGM resource and intrude Huronian sediments to the west. These units are under explored making them attractive exploration targets. The East Bull Lake Suite has the potential to contain at least two different styles of sulphide mineralization: 1) brecciated contact style mineralization (similar to NAM's River Valley PGM Project); and 2) reef style mineralization in the interior of these intrusive bodies, at the interface or zone of mixing of magmas of differing composition. The Nipissing Gabbro has been explored for PGM on some areas of the property. Public sector geochemical data from the newly acquired claims indicate widespread anomalous PGM, gold and base metals. Hypersthene-bearing gabbro and contact breccia appear to be the most favourable lithologies within the Nipissing for hosting significant PGM mineralization.

The Company completed a Geo-referencing program over selected claims as outlined in *Geo-referencing Standards for Unpatented Mining Claims*, Ministry of Northern Development and Mines. This undertaking was initiated on 1 March 2013 and it was completed on 21 March 2013.

In March 2014, the Company applied for an extension of time for the performance and reporting of assessment work on River Valley West and was granted a six months extension to perform exploration work on this project. After the extension time; part of the River Valley West claims were allowed to lapse. Additionally, all River Valley East claims were expired on May 2014.



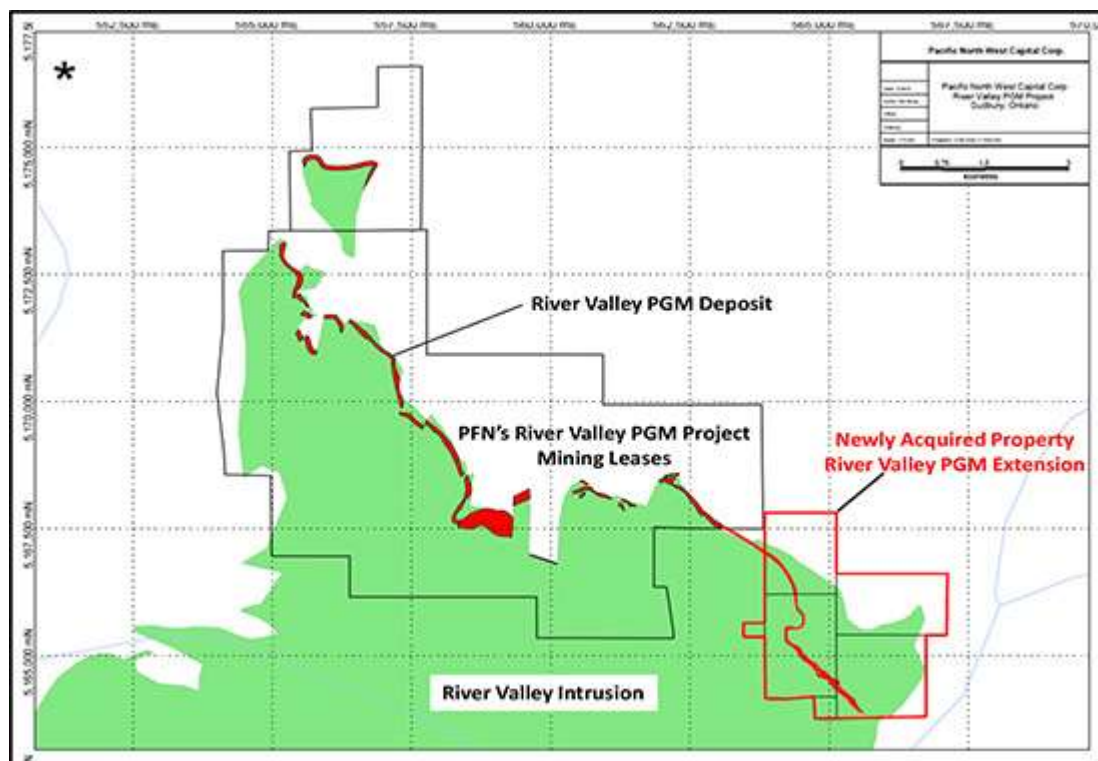
**Figure 12-** Location of the River Valley East and West Properties

The Company signed an agreement with Mustang Minerals Corp. to acquire 100% interest in 6, Strategic, Mineralized Claims, of Mustang's River Valley PGM property, near Sudbury, Ontario. The River Valley PGM Extension Claims are adjacent to, and south of, NAM's current River Valley PGM Project mining leases. The acquisition increases the size of NAMS's project footprint to more than 64 km<sup>2</sup> (16,000 acres), mainly on the highly PGM mineralized River Valley Intrusion. The six acquired claims overlay a 4-km long PGM mineralized trend, which is the southward continuation of the River Valley PGM



Deposit, on NAM's mining leases to the north. With the acquisition, the total strike length of the River Valley PGM Deposit increases to 16 km, on NAM's property. Mustang's work on the property included Mapping, Prospecting, Geophysical Surveys and Diamond Drilling. Surface grab samples returned assays of up to 10 g/t PGM. A total of 57 diamond holes were drilled, for more than 16,000m. Highlights of the drilling include: 1.42 g/t PGM over 9.0m in hole MR02-59, 4.0 g/t PGM over 2.1m in hole MR02-62, and 2.2 g/t PGM over 4.5m in hole MR02-64. The Main Mineralized Zone remains open at depth. Ground Geophysical Survey Results and Structural Geology Interpretation of the property, reveal Priority Exploration Targets, in under-explored areas, which resemble the high-grade T2 Discovery and other similar targets on the adjacent NAM mining leases.

The six claims were acquired from Mustang Minerals Corp., for \$50,000 cash and shares of NAM. The shares are subject to a regulatory hold of 4 months and 1 day, and TSX Venture Exchange approval of the Transaction. Mustang Minerals Corp. retains a 1% NSR on any production from the six claims. The NSR can be purchased by NAM at any time for \$500,000.



**Figure 13-** Location of newly acquired property-River Valley Extension

## 2016 Exploration Program

2016 Exploration Program, at River Valley Project. NAM's key objective for 2016 is to follow-up drilling at the high-grade T2 discovery, in order to confirm that it has the potential to warrant resource delineation drilling. To that end, the 2016 Exploration Program consists of two components:

Surface Exploration Program for the summer field season. The Surface Exploration Program consists of geological mapping, mineral prospecting, sampling, assaying, litho-structural studies, drill core review and 3D modelling. The program focus is on areas with indications of higher-grade mineralization that remain under-explored.



This program was successfully performed during summer 2016 and the samples were sent to SGS Minerals, Lakefield ON.

A Follow-up Diamond Drill Program. Company's geologists are planning to start the program in Fall/Winter 2016.

Each of the components will be carried out under Exploration Permit PR-13-10095R and with financial support from the Junior Exploration Assistance Program (JEAP) (see NAM press release dated 15 June 2016).

## 2016 Drill Program

The drill program successfully expanded mineralization down-dip and along strike of the 2015 intersections at Target T2 and corroborated the geological model. The drill results reported herein confirm the discovery of a new PGM mineralized zone at River Valley, hereafter named the Pine Zone (Figure 14).

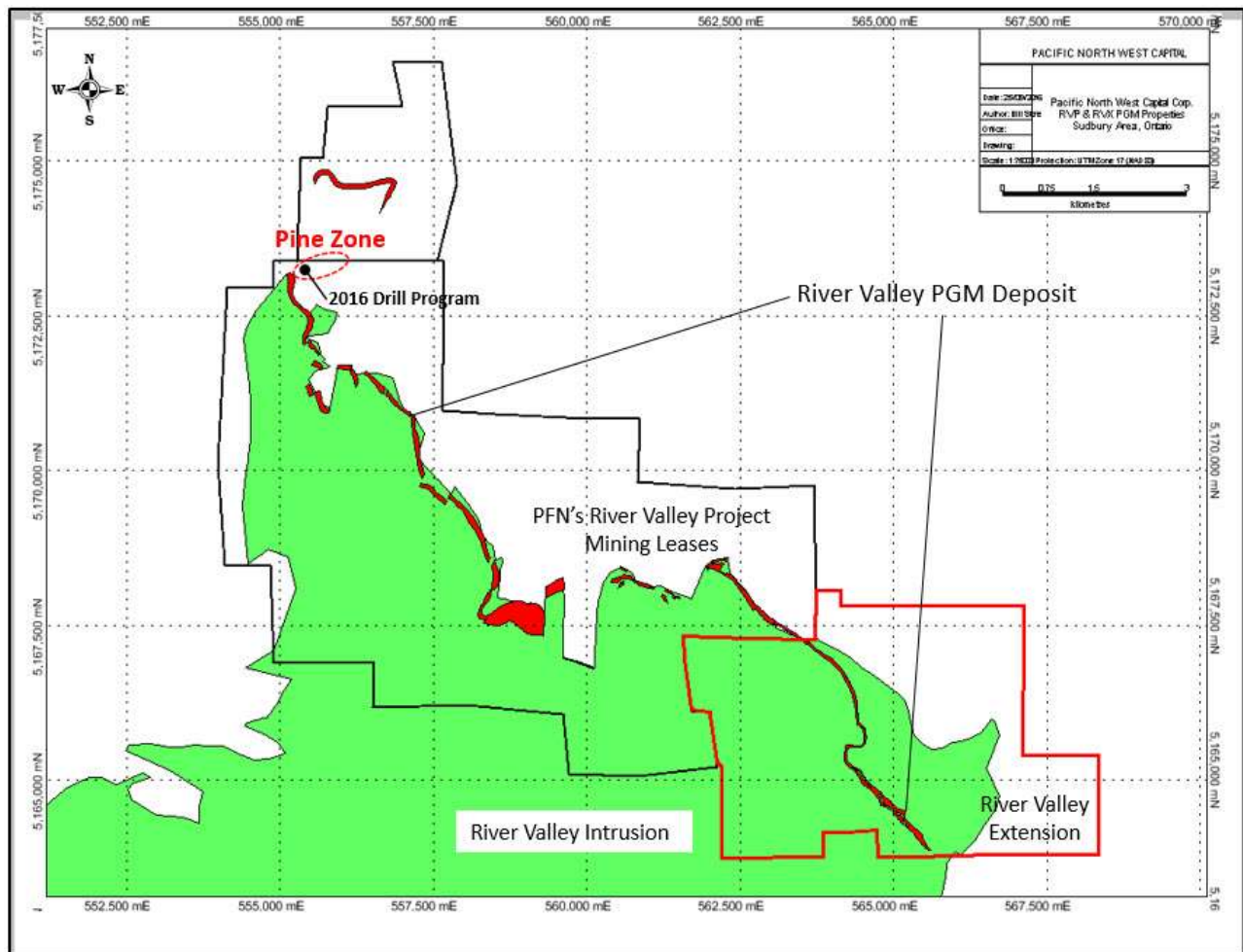
The Pine Zone drill program consisted of five holes for 1367 metres, of which four intersected significant PGM mineralization. A total of 603 split samples were submitted to SGS Canada Inc. Laboratories for assay analyses. The significant new drill assay results include 2.57 g/t Pd+Pt over 18 metres from 169 metres in hole DN-T2-06, 1.92 g/t Pd+Pt over 20 metres from 202 metres in hole DN-T2-10, and 1.84 g/t Pd+Pt over 17 metres from 217 metres in hole DN-T2-11. These results demonstrate the potential for significant new near-surface mineralized zones at the north end of the River Valley Project. Drill core assay results and hole collar locations and orientations are listed in Tables 1 and 2 below.

**Table 7. Assay Results**

Hole	From (m)	To (m)	Interval	Pd gpt	Pt gpt	Au gpt	Cu%	Ni%
<b>DN-T2-03</b>	no significant mineralized intervals							
<b>DN-T2-06</b>	169	187	18	1.901	0.665	0.111	0.18	0.04
incl.	178	187	9	3.016	1.049	0.176	0.28	0.05
<b>DN-T2-10</b>	202	222	20	1.440	0.476	0.072	0.14	0.03
incl.	202	206	4	2.399	0.753	0.071	0.19	0.04
<b>DN-T2-11</b>	217	234	17	1.367	0.470	0.072	0.15	0.04
incl.	219	227	8	1.815	0.608	0.083	0.18	0.05
<b>DN-T2-13</b>	181	184	3	1.588	0.603	0.086	0.16	0.03
<b>DN-T3-13</b>	196	204	8	0.984	0.352	0.066	0.14	0.02

**Table 8. Collar Locations and Orientations**

Hole	UTM E	UTM N	Azimuth (°)	Dip (°)	Length (m)
DN-T2-03	555278	5172842	325	-60	171
DN-T2-06	555363	5172797	325	-60	249
DN-T2-10	555395	5172750	325	-60	281
DN-T2-11	555406	5172728	325	-60	298
DN-T2-13	555360	5172760	325	-60	268



**Figure 14.** Location of the Pine Zone at the north end of the River Valley PGM Project.

The Pine Zone discovery demonstrates the continued success of drill hole targeting based on IP geophysical surveys and 3D geological modelling. The drill results highlight the potential for discovery of similar mineralized zones in other previously overlooked areas at River Valley, and are an additional indication of the camp scale potential in the under explored region east of Sudbury.”

The next steps in PGM exploration of the Pine Zone and other similar priority areas at River Valley include 3D geological modelling of the 2016 drill results, followed by IP surface and borehole geophysical surveys to aid identification of priority targets for drill testing in 2017.

Financial support from the JEAP Program for the 2016 drill program at River Valley is gratefully acknowledged.

### SAMPLE ASSAY PROCEDURES & QA/QC

The drilling was completed by Jacob & Samuel Drilling Ltd. of Sudbury, Ontario under the supervision of NAM geologists. The drill core samples were sent to the SGS Canada Inc. Laboratory in Lakefield, Ontario for sample preparation and assay analyses. The preparation involved crushing of 3 kilograms of each sample to 90% passing 2 mm, and then pulverizing 0.5 kilograms to 85% passing 75 µm. Palladium, Platinum and Gold were assayed by fire assay with ICP-AES finish (GE-FAI313). Copper, Nickel and 32 additional metals were assayed by two acid digestion and ICP-OES finish (GE-ICP14B). Blanks and blind certified standard samples were submitted at regular intervals for assay with the core samples as part of NAM's rigorous Quality Assurance/Quality Control program.

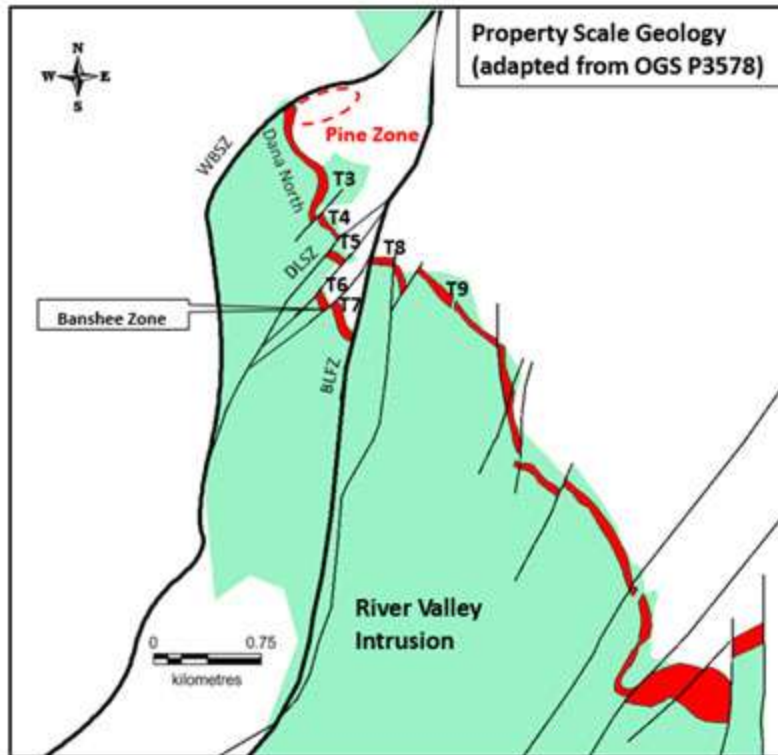
### **2017 Drill Program**

The exploration focus will on drilling priority PGM targets generated from modelling of previous exploration data and of new data from geophysical surveys to be conducted over the Pine Zone-Dana North Zone-Pardo Zone area of the vast River Valley PGM deposit (Figure 15).

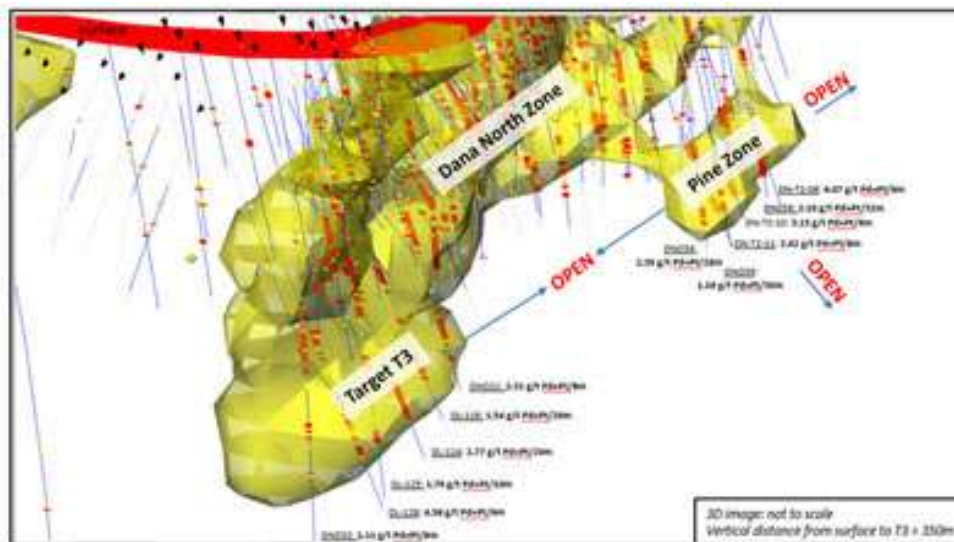
Three-dimensional geological and structural modelling of the available drilling data, particularly from the 2015 and 2016 programs that discovered the Pine Zone highlights the potential to expand the PGM mineralization in three directions (Figure 16): 1) down-dip towards Target T3, 2) east along strike towards Pardo Zone 2 km away, and 3) up-dip 100 metres to surface. The Pine Zone as currently defined is located under the main access road into the north part of the River Valley PGM deposit, in the immediate footwall to measured and indicated PGM resources at the Dana North Zone (see NI43-101 Technical Report dated 1 May 2012), and is overlain by mineral leases owned 100% by NAM.

As for geophysics, a study is currently underway (with Blaine Webster, PGeo consulting geophysicist) to recover and review the historic surface and borehole induced polarization (IP) survey results for the Dana North and Pardo Zones. The PGM mineralization occurs closely associated with disseminated chalcopyrite-pyrrhotite mineralization with a strong positive IP chargeability response. The review study results will aid planning of the 2017 surface and borehole IP geophysical surveys of the Pine Zone-Pardo Zone-Target T3 area. Modern 3D IP survey systems can detect disseminated sulphide zones at greater depths and with better resolution than previous systems. Software packages can now more accurately model the position of IP chargeability anomalies in 3D space to aid development of drill targets. A total of up to about 50 line-km is proposed to be IP surveyed in the spring/summer 2017, prior to drilling.

The 2017 drill program will focus on expansion of the Pine Zone up- and down-dip and laterally, based on the results of the geological and geophysical modelling activities as outlined above. A total of up to about 5000 metres is proposed to be drilled in about 20 holes, beginning in the summer/fall 2017. The exploration plans proposed for 2017 are subject to financing in the capital markets and (or) finding a Strategic Partner and approval of Exploration Permit Applications.



**Figure 15.** Location of the Pine-Dana North-Pardo Zones at the north end of the River Valley PGM deposit. The apparent gap between the Dana North and Pardo Zones is attributed to offset along the Grenville Front fault system. The Pine Zone is interpreted from the 3D modelling to have been part of Dana North that has been transposed into parallelism with the Grenville Fault during movement and deformation along the latter structure.



**Figure 16.** River Valley Project Pine Zone-Target T3 drill intersects. View looking west from above the horizontal.



The Company completed the Induced Polarization (IP) geophysical survey on the Pine Zone and extended to the Banshee Zone at the River Valley PGM Project in northwest Ontario.

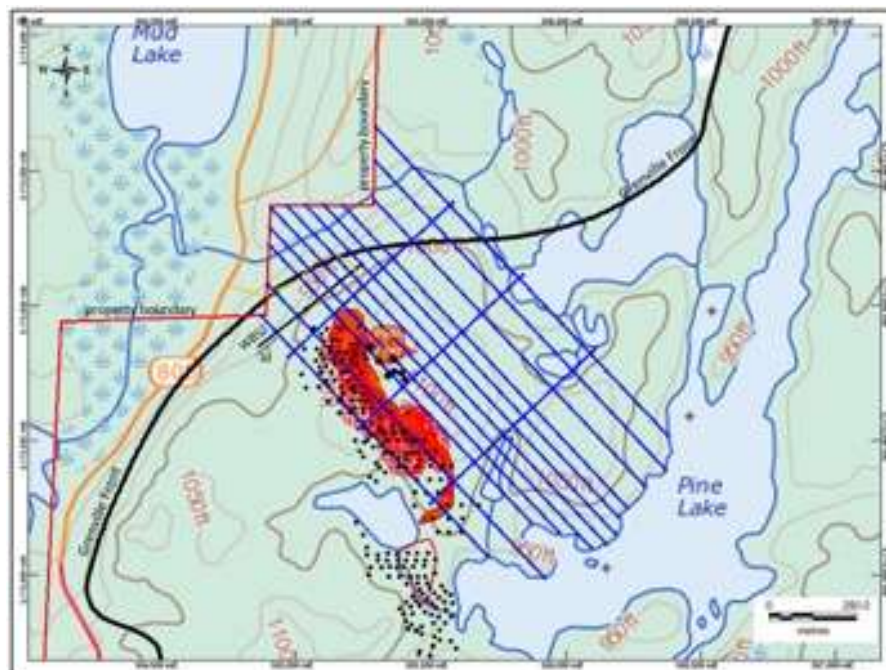
The Pine Zone is one of numerous prospective PGM zones (Figure 17) within the district-scale River Valley PGM Project and was most recently drilled in the fall of 2016 (press release 13 December 2016). The 2016 drill program confirmed the higher-grade, near-surface PGM discovery made in the 2015 drill program (press release 11 March 2015) and highlighted the continuity of the mineralization for 200 metres along strike and 100-200 metres depth at the Pine Zone. The Pine Zone remains open along strike and at depth. This re-interpretation of the River Valley Deposit and its mineralization has the potential of advancing the project to a strong economic stage.

The surface IP geophysical survey tested the potential for eastwards and southwards extension of the Pine Zone as well as the adjacent Dana North Zone (Figure 2). The survey will aid in the generation of new targets for follow up drill testing. A complete interpretation of the IP geophysical results will be carried out by Abitibi Geophysics, which will include drill recommendations. Drilling is scheduled to begin mid-July of 2017 with a program of ~5000 metres.

Approximately 2 km of untested potential for the discovery of additional mineralization presently exists along the trend between the current drilled extent of the Pine Zone and the underexplored Pardo Zone to the northwest (Figure 2). The Banshee Zone is approximately 2 km to the southeast along the trend of the River Valley PGM Zone.

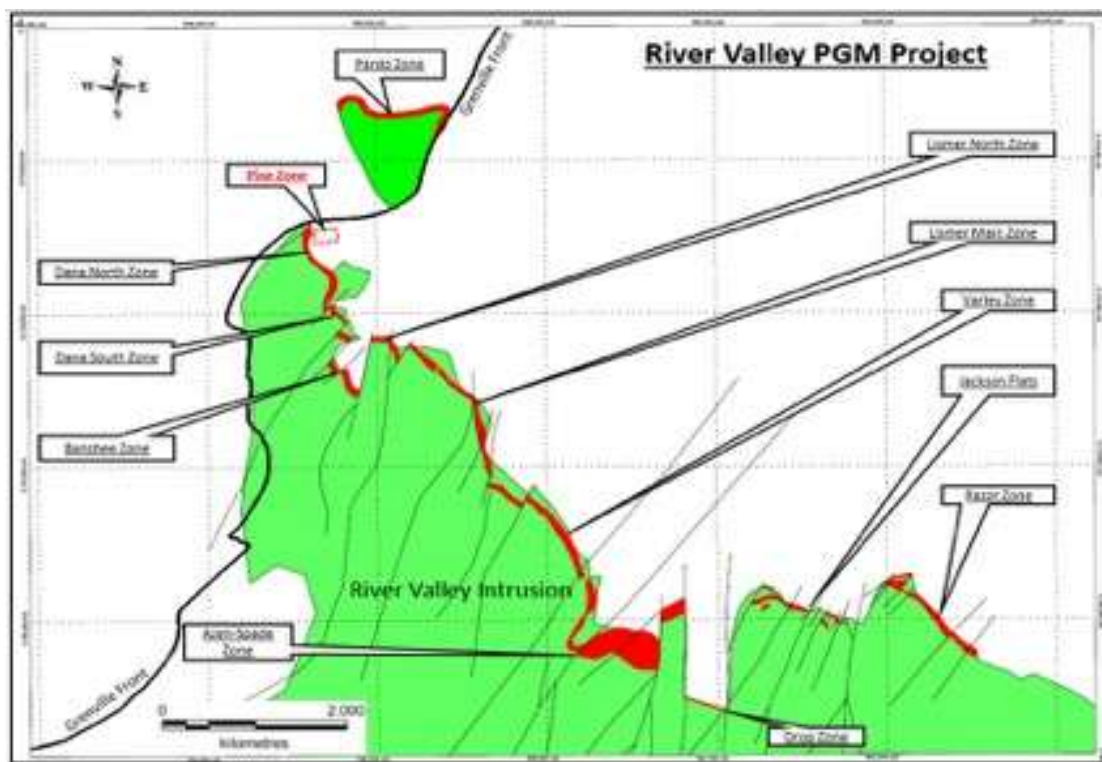
The Banshee was drilled with 25 holes in 2003 as well with accompanied surface exploration and geophysics. Surface work outlined a zone over 600 metres. Metallurgical work from SGS in 2012 defined the Banshee Zone to be an inferred resource (cut off a 0.8 g/t PdEq) of 3,320,000 tonnes with a contained metal content of 62,000 oz of PGM+Au and 103,000 oz of PdEq. The new IP survey will allow the company to geophysically explore the Banshee Zone to a greater depth than previously explored.

The geophysical survey being used is a high-resolution OreVision®IP survey performed by Abitibi Geophysics. OreVision®IP can reveal targets at four times the depth of conventional IP without compromising near-surface resolution.



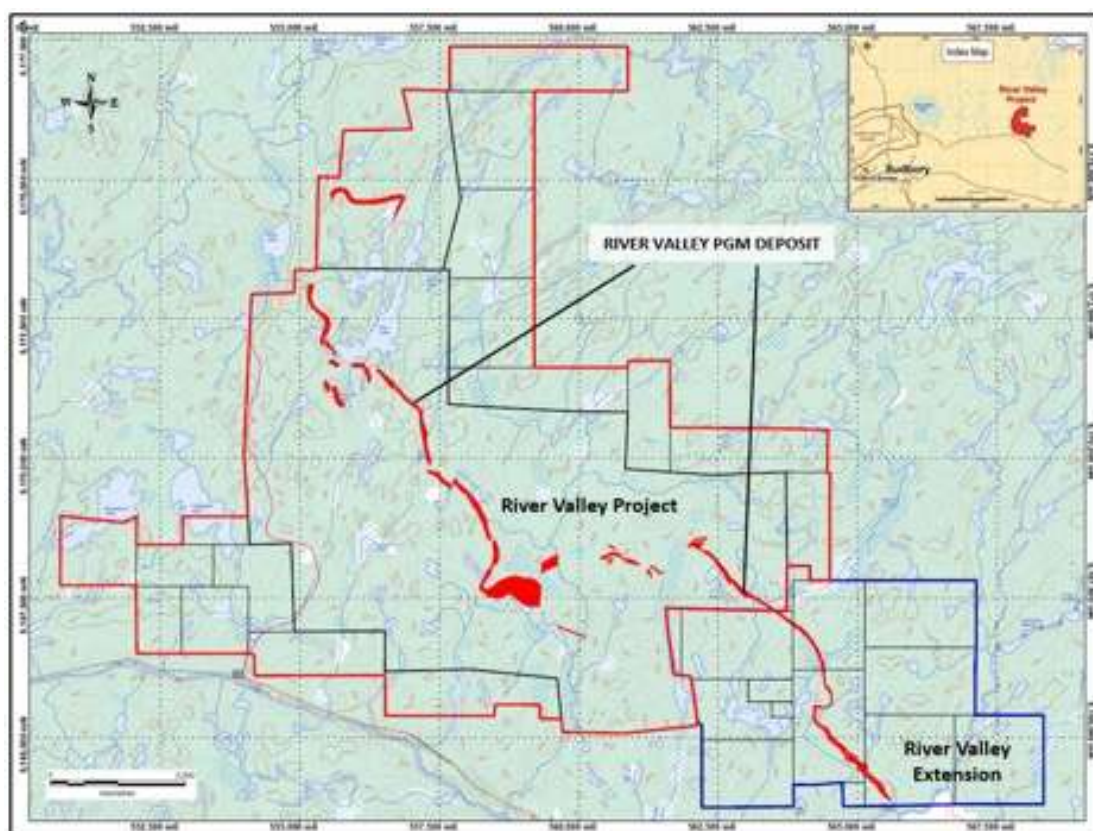
**Figure 17.** Design map grid for the OreVision® IP surface survey in the Pine Zone-Dana North Zone (DNZ) area of the River Valley PGM Project. WBSZ = West Boundary Shear Zone. Solid black circles = diamond drill hole collar locations.

The Pine Zone survey was performed along NW-SE trending, 50m to 100m spaced cut-lines across the apparent strike direction of the geological and structural features controlling the Pine Zone. The depth of investigation was 440m, which is 40m below the maximum predicted depth of the Pine Zone in this area. In addition to the OreVision®IP survey, Abitibi Geophysics will also carry out a borehole survey on two drill holes from the 2016 drill program at the Pine Zone through the host geology and PGM mineralization for physical property measurements. The physical property data collected from these drill holes will benefit 3D inversion and modelling of the OreVision®survey dataset, thereby aiding generation of high priority targets for drill testing. Target generation will be followed by a drill program in the summer/fall of 2017.



**Figure 18.** Property scale geological map showing the location of the Pine Zone discovery relative to the Dana North Zone immediately to the west and the Pardo Zone 2 km to the northeast. Note the apparent dextral sense of offset of the River Valley PGM deposit (red) across the Grenville Front Tectonic Zone.





**Figure 19.** Location of NAM's 100% owned River Valley PGM Project.

## 5.2 LITHIUM ONE PROJECT, MANITOBA

The company entered into an option agreement dated 18 April 2016, acquiring claims in southeast Manitoba with historical pegmatite lithium mineralization and assays from spodumene returning values of 2.90 to 8.20% Li<sub>2</sub>O (from Manitoba Inventory File No 190). The historic assays have not been confirmed in the field. These claims will be a part of the company's Lithium One Project.

The Company is developing a Lithium and Rare Earth Division, management believes that adding an additional "green metal" to its existing Platinum group metals (PGM's) division is warranted. These new age metals, Lithium, PGM's and Rare Earths, have robust macro trends with surging demands and limited supply. Going forward, this new division will explore for the minerals needed to fuel the demand for energy storage and other core 21st Century Technologies.

The option on the Lithium One Project was acquired from Cliff Allbutt of Winnipeg, Manitoba, the optionor. The project area is part of the Winnipeg River Pegmatite Field. This pegmatite field is host to the world-class Tanco Mine, which has been one of the world's richest mines for tantalum, cesium and spodumene (a major source of lithium). The mine began operations in 1969 and is still producing today.

The Company has a two year option to purchase 100% interest in the 11 unpatented contiguous mining claims. The claim area is 2,272 hectares (5,614 acres) and is situated 8.5 kilometres southeast of the Tanco Mine Site. Management believes that from the historic work on the surface pegmatites and the reported assays from that time period, that there is economic potential for further lithium (Li) mineralization.

The Lithium One Project is located approximately 125 kilometres northeast of Winnipeg, Manitoba. Historically the area is known for the presence of over 40 surface pegmatites of various dimensions and compositions. Past exploration in the region has focused on the lithium, beryllium and tantalum potential

of the pegmatites. Bulk samples were removed from the pegmatites in the 1930's but no large scale mining was undertaken due changes in the market conditions and commodity prices after the war. Lithium minerals were previously considered for the medical and ceramic industry, however in recent years lithium has seen an increased usage in the “green energy sector”. There has been limited recent exploration in the region.

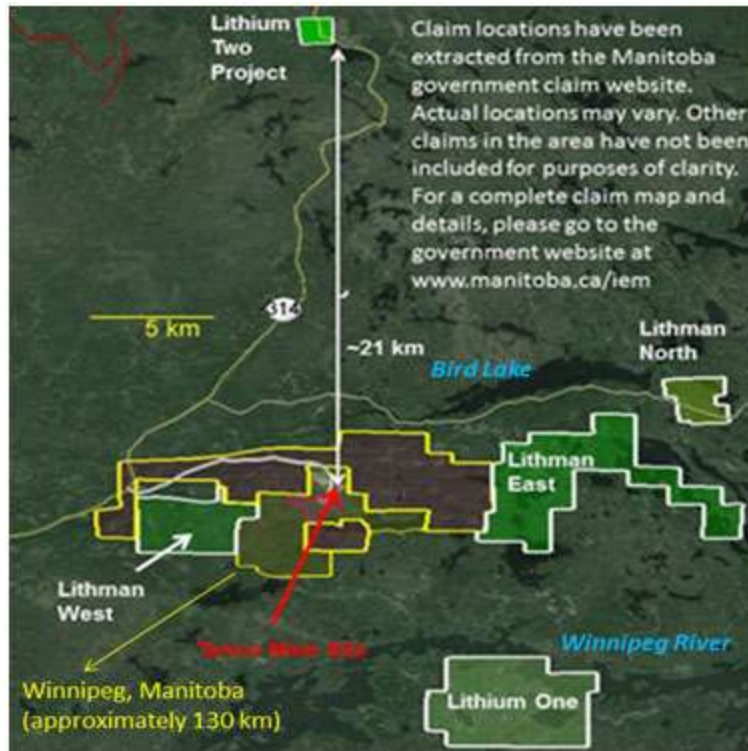
The company’s new Lithium Division will focus on the acquisition, exploration and development of Lithium Projects in Canada. In the United States the company will use its wholly owned U.S.A subsidiary to acquire and develop projects in active mining camps in Nevada, Arizona and California.

Lithium and Platinum group metal prices have improved dramatically in recent months. Lithium supplies remain in deficit relative to their demand. Both metals groups are used for the expanding worldwide automobile industry (conventional and electric). In the case of PGM’s, demand is increasing for autocatalysts, a key component for reducing toxic emissions for automotive, gasoline and diesel engines. In regards to Lithium, there is an ever increasing demand for batteries in cellphones, laptops, electric cars, solar storage, wireless charging and renewable energy products.

The five Lithium Pegmatite projects, which the company holds, are situated in the Winnipeg River-Cat Lake Pegmatite Field of SE Manitoba. This pegmatite field (Figure 1) is host to the world-class Tanco Pegmatite, which is a highly-fractionated, Lithium-Cesium-Tantalum (LCT)–type pegmatite that has been mined at the Tanco Mine, in various capacities, since 1969 for Lithium-bearing minerals (Spodumene), Tantalum, Beryllium, Rubidium and Cesium. The Tanco Mine is presently owned by the Cabot Corporation. There are no current NI 43-101 compliant resources, but academic reports suggest that the Tanco Pegmatite, prior to the start of mining, was approximately 1520 metres long, 1060 metres wide and up to ~100 metres thick, with a volume of ~21,850,000 m<sup>3</sup> and a mass of about 57,430,000 tonnes. Field work carried out by NAM in 2016 was focused on ground proofing many of the historically reported pegmatites in the project region. Four out of five projects were examined. The best results from surface sampling came from the Lithium One and Lithium Two Projects.



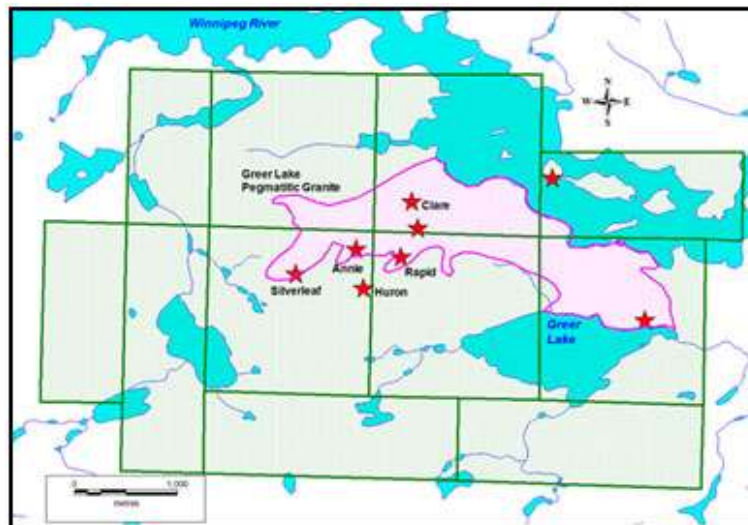
**Figure 20:** Approximate Outline of the Winnipeg River-Cat Lake Pegmatite Field (Lithium Canada claim locations in green and the Tanco Mine Leases in red)



**Figure 21:** Lithium Projects in SE Manitoba

The Company examined and sampled several of the known Lithium-bearing Pegmatites. Numerous Pegmatites and Pegmatite swarms were not sampled, due to access difficulties and will be prospected at a later time. The Silverleaf and Annie Pegmatites yielded the best Lithium assays.

The Silverleaf Pegmatite is a zoned complex Lithium-bearing Pegmatite, with a surface exposure of approximately 80 metres x 45 metres. It was the largest pegmatite reviewed. Samples taken from the Lepidolite-Spodumene Zone yielded assays from 1.30% to 2.43% Li<sub>2</sub>O, 0.15% to 2.08% Rb<sub>2</sub>O and 104 ppm to 447 ppm Ta<sub>2</sub>O<sub>5</sub>. This zone is approximately 50 metres x 20 metres in size and extends into a historic excavated open pit. The open pit originates from the late 1920s, when a bulk sample of Spodumene was mined, from the southwest side of the Silverleaf Pegmatite. Large scale mining operations were not undertaken at the time, due to changes in the market conditions and commodity prices. A sample from the historically mined Spodumene rock pile, returned values up to 4.33% Li<sub>2</sub>O.





### **Figure 22: Lithium One Project Pegmatites Examined in 2016**

The Annie Pegmatite is exposed on surface, for an approximate area of 15 metres x 90 metres. Samples returned assays of 0.10% to 0.64% Li<sub>2</sub>O and 0.21% to 0.81% Rb<sub>2</sub>O. Other Pegmatites returned elevated levels of Lithium. Due to the zoned nature of some of the Pegmatites, additional Lithium-rich zones may exist that are not exposed on surface.

A drill program of 3500 metres is proposed for 2017, to test several of the surface exposed Pegmatites. To date, the company has approximately 6,318 hectares (15,612 acres) of mineral claims, with Lithium Mineral Potential in the Cat Lake-Winnipeg River Pegmatite Field of SE Manitoba. NAM is the largest mineral claim holder in the Pegmatite Field. As part of the Company's Prospector Generator Model, negotiations are currently ongoing with interested 3rd parties, for possible Option/Joint Ventures and other Exploration Initiatives.

On 29 November 2016, the Company acquired additional ground from Mustang Minerals Corp. (Mustang), increasing the size of the Lithium Two Project. Following up on the Lithium grades previously released on the Lithium Two Project from surface sampling of the Eagle and F.D. No. 5 Pegmatites, the company decided to enact a clause in their agreement with Mustang and acquire additional ground. This ground has been acquired at no additional cost and the size of the project area has doubled. The company considers the Cat Lake Area to be highly prospective for potentially economic lithium deposits. Numerous pegmatites in the region are Spodumene-Bearing and of the Lithium-Cesium-Tantalum (LCT) type of pegmatites, which are ideal for lithium potential.

The Lithium Two Project is located north of Cat Lake, approximately 145 kilometers (90 miles) northeast of Winnipeg, Manitoba (Canada) and 22 kilometers north of the Tanco Mine Site. Geologically, the project is situated in the Cat Lake portion of the Cat Lake Winnipeg River Pegmatite Field.

The Winnipeg River Pegmatite Field hosts the World Class Tanco Pegmatite, which has been mined since 1969 at the Tanco Mine Site. At one time, the Tanco Mine was North America's only producer of Spodumene (a primary lithium mineral). The project has excellent access via a major gravel covered provincial highway in the project area.

### **Phase One Exploration Review**

The Company carried out a Phase One Exploration Program, whereby several of the known Lithium bearing Pegmatite were prospected and sampled, including the Greer Lake Pegmatitic Granite. The purpose of the exploration program was to obtain modern-day assay analyses of the Pegmatites and to ground proof the historic Pegmatite locations. Numerous Pegmatites and Pegmatite swarms were not sampled, due to access difficulties and will be prospected at a later time.

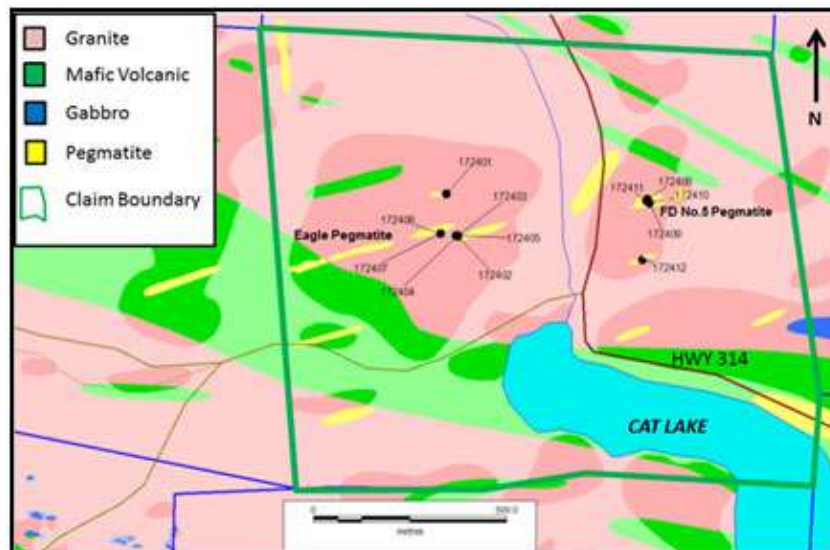
The Silverleaf Pegmatite is a zoned complex Lithium-bearing Pegmatite, with a surface exposure of approximately 80 metres x 45 metres. It was the largest Pegmatite reviewed. Samples taken from the Lepidolite-Spodumene Zone yielded assays from 1.30% to 2.43% Li<sub>2</sub>O, 0.15% to 2.08% Rb<sub>2</sub>O and 104 ppm to 447 ppm Ta<sub>2</sub>O<sub>5</sub>. This zone is approximately 50 metres x 20 metres in size and extends into a historic excavated open pit. The open pit originates from the late 1920s, when a bulk sample of Spodumene was mined from the southwest side of the Silverleaf Pegmatite. Large scale mining operations were not undertaken at the time, due to changes in the market conditions and commodity prices. A sample from the historically mined Spodumene rock pile returned values up to 4.33% Li<sub>2</sub>O.

Two Spodumene-bearing pegmatites were examined during the 2016 summer field season; the Eagle and the FD 5 Pegmatites.

The Eagle Pegmatite has been reported to be exposed at surface as a series of lenticular Spodumene-bearing Dykes, over a distance of about 823 metres. Approximately 200 metres of the exposure area was examined in the 2016 field program. In 1947, drilling of the Eagle Pegmatite estimated that there was 545,000 tonnes (600 000 tons) of Spodumene, with an average content of 1.4% Li<sub>2</sub>O, to a depth of 60 metres (200 feet). This is a historic estimation and is not NI 43-101 compliant. The Eagle Pegmatite remains open to depth. The 2016 surface sampling yielded chip samples, across the pegmatite, up to 3.04% Li<sub>2</sub>O.

The F.D. No. 5 Pegmatite is exposed over an area of 15 metres. The best surface assay was 2.08% Li<sub>2</sub>O, over a 1.5 m chip sample. The Pegmatite has not previously been drill tested.

The Lithium content over each of the sampled Pegmatites is extremely positive. In addition, Tantalum, Cesium and Rubidium contents are enriched, as expected, for a Lithium-Cesium-Tantalum (LCT) Type Pegmatite. LCT Type Pegmatites are the deposit types sought after, in Lithium Exploration. The Tanco Pegmatite is a LCT Type Pegmatite.

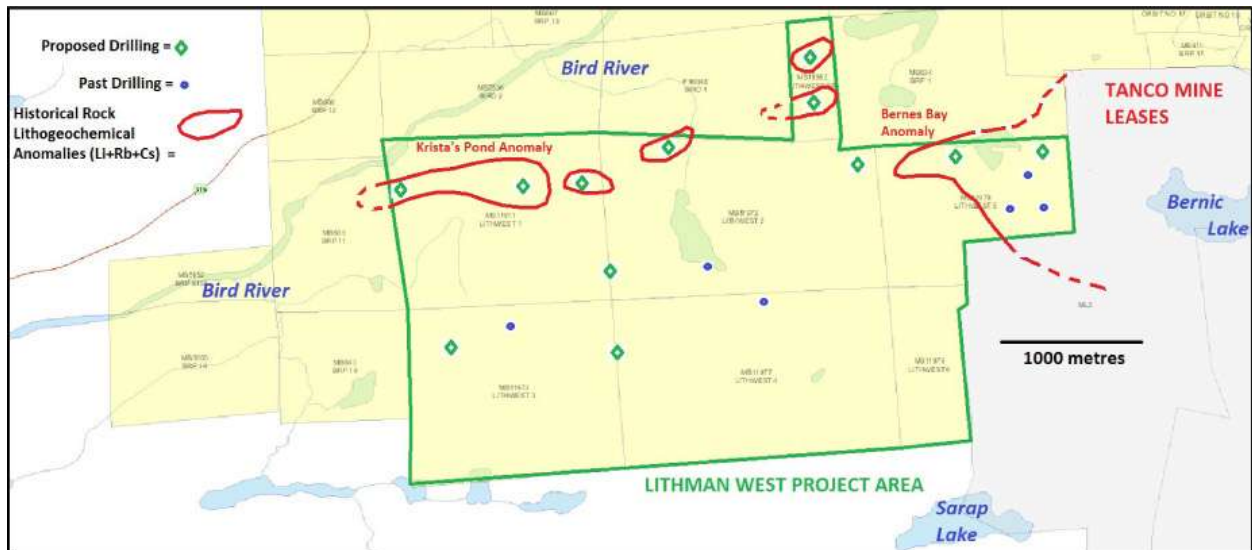


**Figure 23:** Geology of the Lithium Two Project, SE Manitoba

While compiling the historic geological data for the project areas, several untested geochemical targets were identified. None of the historic work has been verified with a NI-43-101, and therefore is considered non-compliant. The mineral claims were previously held by the Tantalum Mining Corporation of Canada (Tanco), which carried out rock and soil geochemistry in 1977 and between 1999 and 2007. Soil and rock samples were collected at 25 metre intervals on grid-lines 100 metres apart. Most of the historic work focused on the northern portion of the Lithman West Project area, with soil geochemistry completed over most of the project area. Soil samples were analyzed using the Enzyme Leach technique at Activation Laboratory. The litho-geochemistry targets are identified based on enrichment of Lithium, Rubidium and Cesium in host rocks. When pegmatites are emplaced, metasomatic fluids enrich the host country rocks in Lithium, Rubidium and Cesium. The metasomatic enrichment of the host rocks in the case of Lithium can occur up to 100 metres away from the pegmatites, whereas Rubidium and Cesium have smaller metasomatic aureoles. Using the three elements (Li+Rb+Cs) in conjunction and statistically determining background based on rock type, the identification of anomalous and highly anomalous rock types can be

used to generate the litho-geochemical targets. This was Tanco's procedure with regards to litho-geochemistry and all their historical exploration data are available in assessment files at the Manitoba Mines Branch.

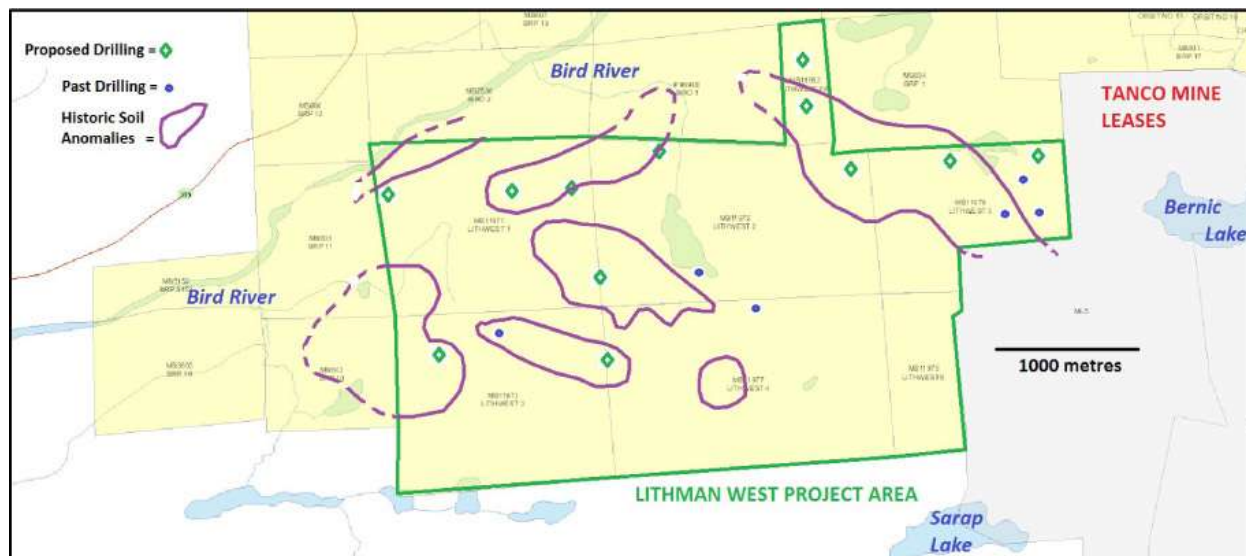
All litho-geochemical anomalies (see Figure 24) appear to be oriented East-West, which is the general orientation of other lithium-bearing pegmatites in the Winnipeg River-Cat Lake Pegmatite Field. Six Li+Rb+Cs litho-geochemical anomalies are recognized from compilation of historical assessment files on the Lithman West Project. Litho-geochemistry has only been carried out on the northern portion of the project area by previous explorers. Four of the litho-geochemical anomaly targets have been defined to be approximately 150 metres to 200 metres long and 25 metres to 50 metres wide. These targets appear not to have been drill tested. The two largest of the litho-geochemical anomalies is the Krista's Pond Anomaly and Bernes Bay Anomaly (Figure 25). The Krista's Pond Anomaly is tear-drop shaped and approximately 1200 metres long and 150 metres maximum width. This anomaly has not been drill tested, even though it appears to be a moderate to strong litho-geochemical target. The Bernes Bay anomaly on the project area is approximately 1000 metres long by 1500 metres wide. Previous work indicates that this anomaly extends eastward to the westernmost bay of Bernic Lake. This anomaly was considered to be a high priority target in 1977 and was tested with three shallow drill holes.



**Figure 24:** Historic Rock (Li+Rb+Cs) Geochemical Anomalies – Lithman West Project

Seven soil Enzyme Leach anomalies have been defined from compilation of past Tanco exploration work (Figure 2). These anomalies are varying shapes and sizes. Areas where the soil and rock geochemistry overlap or nearly overlap are considered to be the highest priorities for follow-up drilling.





**Figure 25:** Historic Soil (Enzyme Leach) Geochemical Anomalies – Lithman West Project

It is recommended that a diamond drill program be carried out in order to drill test the soil and rock geochemical anomalies (Figures 24 and 25). These are drill ready targets based on the historic geological exploration. In addition, it is recommended that follow-up geological work be carried out over the anomalies and that rock litho-geochemistry be completed on the southern portion of the project area. The Company has five Lithium Pegmatite projects in the Winnipeg River-Cat Lake Pegmatite Field of Southeast Manitoba. This pegmatite field (Figure 3) is host to the world-class Tanco Pegmatite, a highly fractionated Lithium-Cesium-Tantalum (LCT)-type pegmatite, which has been mined at the Tanco Mine for Lithium-bearing minerals (Spodumene), Tantalum, Beryllium, Rubidium and Cesium since 1969. There are no current NI43-101 compliant reports, but academic reports suggest that the Tanco Pegmatite prior to the start of mining was approximately 1520 metres long, 1060 metres wide, and up to ~100 metres thick with a volume of ~21,850,000 m<sup>3</sup> and a mass of ~57,430,000 tonnes. Numerous other lithium-bearing pegmatites exist within the pegmatite field.

The Company has two other drill ready targets for lithium-bearing pegmatites in the Pegmatite Field to date, the Company has approximately 6,318 hectares (15,612 acres) of mineral claims, with Lithium Mineral Potential in the Winnipeg River-Cat Lake Pegmatite Field of southeast Manitoba. NAM is the largest mineral claim holder in the Pegmatite Field.

As part of Company's Prospector Generator Model, negotiations are currently ongoing with interested 3rd parties for possible Option/Joint Ventures and other Exploration Initiatives.

## QUALIFIED PERSON STATEMENT

"Project Overview" section of this report has been reviewed and approved for technical content by Ali Hassanalizadeh MSc. P.Geo, Senior Geologist Advisor of NAM and a Qualified Person under the provisions of NI 43-101.

## SELECTED QUARTERLY FINANCIAL INFORMATION

The following selected financial information is derived from the unaudited interim consolidated financial statements of the Company. The figures have been prepared in accordance with IFRS.

	For the Quarters Ended (unaudited)							
	31 Jul	30 Apr	31 Jan	31 Oct	31 Jul	30 Apr	31 Jan	31 Oct
	2017	2017	2017	2016	2016	2016	2016	2015
Total revenues	-	-	-	-	-	-	-	-
Net income (loss)	(533,561)	915,776	(164,731)	(232,518)	(602,778)	(1,648,879)	62,581	(14,982)
Net loss per share	(0.016)	(0.003)	(0.001)	(0.002)	(0.012)	(0.030)	0.001	(0.000)
Total assets	3,021,275	3,678,347	1,344,476	1,539,123	1,627,807	855,844	599,544	366,274

## 6. RESULTS OF OPERATIONS

### For the three months ended 2017 compared to the three ended 31 July 2016.

The three months ended 31 July 2017 resulted in a loss from operations of \$533,561 which compares to loss of \$602,778 for the same period in 2016. The decrease in loss of \$69,217 was mainly attributable to net effect of the following:

- Decrease of \$9,230 in consulting fees. \$45,306 for the three months ended 31 July 2017 compared to \$54,536 for the same period in 2016.
- Increase of \$5,085 in insurance, licenses and fees, \$5,085 for the three months ended 31 July 2017 compared to \$Nil for the same period in 2016.
- Increase of \$15,821 in management fees, \$23,167 for the three months ended 31 July 2017 compared to \$7,346 for the same period in 2016.
- Increase of \$363,771 in marketing and communications, \$410,975 for the three months ended 31 July 2017 compared to \$47,204 for the same period in 2016. The significant increase was due to the non-brokered private placement equity financing and aggressive global online promotion campaign.
- Increase of \$18,110 in office and miscellaneous, \$22,268 for the three months ended 31 July 2016 compared to \$4,158 for the same period in 2016.
- Increase of \$4,506 in rent, \$5,440 for the three months ended 31 July 2016 compared to \$934 for the same period in 2016.
- Decrease of \$223,065 in share-based payments, \$Nil for the three months ended 31 July 2017 compared to \$223,065 for the same period in 2016.
- Increase of \$2,167 in telephone and utilities, \$2,518 for the three months ended 31 July 2017 compared to \$351 for the same period in 2016.
- Increase of \$1,330 in transfer agent and regulatory fees, \$9,279 for the three months ended 31 July 2017 compared to \$7,949 for the same period in 2016.
- Increase of \$16,712 in travel, lodging & food, \$18,737 for the three months ended 31 July 2017 compared to \$2,025 for the same period in 2016.
- Gain on sale of short term investment of \$19,500 for the three months ended 31 July 2017 compared to \$253,506 loss for the same period in 2016.

## **7. LIQUIDITY, CAPITAL RESOURCES AND CAPITAL RISK MANAGEMENT**

During the period ended 31 July 2017, the Company's working capital, defined as current assets less current liabilities, was \$2,252,066 compared with working capital of \$2,908,781 as at 30 April 2017. The Company has a total of 68,439,503 common shares issued and outstanding as at 31 July 2017 (30 April 2017: 68,085,256). The Company has a portfolio of investments with a book value of \$958,302 and a market value of \$230,278 as at 31 July 2017.

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the development and exploration of its mineral properties.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

## **8. CONTRACTUAL COMMITMENTS**

Effective 1 April 2016, the Company is committed to paying a monthly consulting fee of \$5,000 per month to a related party for a term of five years termination on 31 March 2021.

Effective 1 September 2016, the Company is committed to paying monthly rent of \$3,000 per month to a related party for a term of 60 months terminating on 31 August 2021.

As at 30 April 2017, the Company has \$95,000 (2016 - \$30,000) remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements.

The Company's exploration and evaluation activities are subject to various Canadian federal and provincial laws and regulations governing the protection of the government. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

## **9. CONTINGENCIES**

The Company had a lease agreement dated 1 April 2012 for leasing an office premise. On 12 February 2015, the Company was served with a notice of termination by the landlord due to default on rental payments for the months of January and February 2015.

Upon the notice of termination, all rent payable under the lease agreement became due and the prepaid rent deposit in the amount of \$158,356 was forfeited to the landlord. The lease agreement and the termination notice reserves the right of the landlord to proceed against the Company for all outstanding amounts, costs and damages, as well as all prospective losses and damages, arising from the unexpired

portion of the lease term, and other losses arising from the landlord's failure to carry on business. The Company is also liable to the landlord for expenses of the landlord in connection with the terminating, re-entering, re-letting or collection of sums due or payable by the Company on demand. Unpaid amounts bear interest from the due date to the date of payment at the rate of the greater of 18% per annum or the prime rate, plus 5% per annum calculated on a daily basis and compounded monthly.

During the previous year ended 30 April 2015, the Company recorded a provision of \$1,729,380 relating to the termination of the lease.

During the previous year ended 30 April 2017, the Company recorded a reversal of the lease provision of \$1,729,380 consistent with the management of the Company's position on this matter. However, there is no assurance that formal claims will not be made against the Company, which could result in the Company having to pay amounts related to the termination of the lease and such amounts may be significant.

As at 31 July 2017 the Company owns various exploration and evaluation properties. Management does not consider that any amounts related to decommissioning liabilities are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these obligations in the future.

## **10. OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **11. CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses are a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the period for

which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

The Company allocates values to share capital and to warrants according to their fair value using the proportional method when the two are issued together as a unit. The Company uses the binomial valuation model to determine the fair value of warrants issued.

These consolidated financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the consolidated financial statements for the period ended 31 July 2017.

## **12. GOVERNMENT LAWS, REGULATION & PERMITTING**

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

### **13. ESTIMATES OF MINERAL RESOURCES**

The mineral resource estimates contained in this MD&A are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its properties. There is no assurance that the Company will be successful in raising sufficient funds to meet its obligation or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts.

### **14. KEY MANAGEMENT AND COMPETITION**

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

### **15. TITLE TO PROPERTIES**

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

### **16. COMMODITY PRICES**

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and



future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper or gold.

## 17. FINANCIAL INSTRUMENTS

The Company classifies all financial instruments as either available-for-sale, financial assets or liabilities at fair value through profit or loss ("FVTPL"), loans and receivables or other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in accumulated other comprehensive income. These amounts will be reclassified from shareholders' equity to net income when the investment is sold or when the investment is impaired and the impairment is considered less than temporary. Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized on the statement of profit or loss.

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, advances and deposits, available-for-sale securities, share purchase warrants, trade payables and due to related parties.

### Fair Values

	<b>Fair value hierarchy</b>	<b>FVTPL, at fair value</b>	<b>Loans and receivables, at amortized cost</b>	<b>Available-for-sale, at fair value</b>	<b>Other liabilities, at amortized cost</b>
Cash and cash equivalents	Level 1	1,846,944	-	-	-
Amounts receivable	N/A	-	8,944	-	-
Available-for-sale securities	Level 1	-	-	230,278	-
Short term investments - warrants	Level 2	-	-	-	-
Trades payable	N/A	-	-	-	32,231
Due to related parties	N/A	-	-	-	17,982

### Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing with only with highly-rated financial institutions. For the period ended 31 July 2017, amounts receivable was mainly comprised of Goods and Services Tax/Harmonized Sales Tax receivable and other receivables from related parties.

### Currency Risk

For the period ended 31 July 2017 and 2016, the Company's operations were mainly in Canada. The Company considers its currency risk to be insignificant.

### Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected

if its access to the capital market is hindered. The Company has no source of revenue and has obligations meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 July 2017, the Company had working capital of \$2,252,066 (30 April 2017: \$2,908,781).

#### Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk and commodity price risk arising from financial instruments.

## 18. RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management were as follows:

	31 July 2017	31 July 2016
	\$	\$
Management and consulting fees	43,500	26,845
Directors fees	-	-
Share-based payments	-	85,508
	<b>43,500</b>	<b>112,353</b>

The assets and liabilities of the Company include the following amounts due from/to related parties:

	31 July 2017	30 April 2017
	\$	\$
El Niño	8,944	9,239
<b>Total amount due from related parties</b>	<b>8,944</b>	<b>9,239</b>
CEO	-	33,914
Canadian Gravity Recovery Inc.	17,982	63,000
<b>Total amount due to related parties</b>	<b>17,982</b>	<b>96,914</b>

All related party transactions are in the normal course of operations and measured at the exchange amount agreed to between the related parties.

## 19. OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at 31 July 2017, there were 68,085,256 issued and outstanding common shares (30 April 2017: 68,085,256).

### Share Purchase Options

Directors, officers, employees and contractors are granted options to purchase common shares under the Company stock option plan. The terms and outstanding balance are disclosed in the table below:

Number outstanding 30 April 2017	Granted	Exercised	Expired	Forfeited	Number outstanding 31 July 2017	Exercise price per share	Expiry date
363,333	-	-	-	41,668	321,666	\$0.36	19 March 2019
267,222	-	-	-	-	267,222	\$0.15	18 September 2020
1,500,000	-	-	-	55,555	1,444,445	\$0.21	15 July 2021
-	3,500,000	-	-	-	3,500,000	\$0.14	19 June 2022
<b>2,130,555</b>	<b>3,500,000</b>	-	-	<b>97,223</b>	<b>5,533,333</b>		

## **20. DISCLOSURE CONTROLS AND PROCEDURES**

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management's discussion and analysis, management has evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws.

Based on the evaluation of the disclosure controls performed to date, the Company is determined to strengthen internal controls over financial reporting. Management has engaged the services of an additional external accounting firm to obtain more specific and detailed advice as to increasing the effectiveness of the Company's internal control.

## **21. INTERNAL CONTROLS AND PROCEDURES**

Internal controls and procedures are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with the IFRS. As at the end of the period covered by this management's discussion and analysis, management had designed and implemented internal controls and procedures as required by Canadian securities laws.

The Company has evaluated the design of its internal controls and procedures over financial reporting for the period ended 31 July 2017. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Management continues to review and refine its internal controls and procedures.

## **22. RISKS AND UNCERTAINTIES**

The mineral industry is intensely competitive in all its phases. The Company competes with many other companies who have greater financial resources and experience. The market price of precious metals and other minerals is volatile and cannot be controlled. Exploration for minerals is a speculative venture.

There is no certainty that the money spent on exploration and development will result in the discovery of an economic ore body.

The Company's activities outside of Canada make it subject to foreign currency fluctuations and this may materially affect its financial position and results.

The Company has limited financial resources, no source of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements. If the Company's generative exploration programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company's properties.

## **23. NEW PROJECT ACQUISITION PROGRAM**

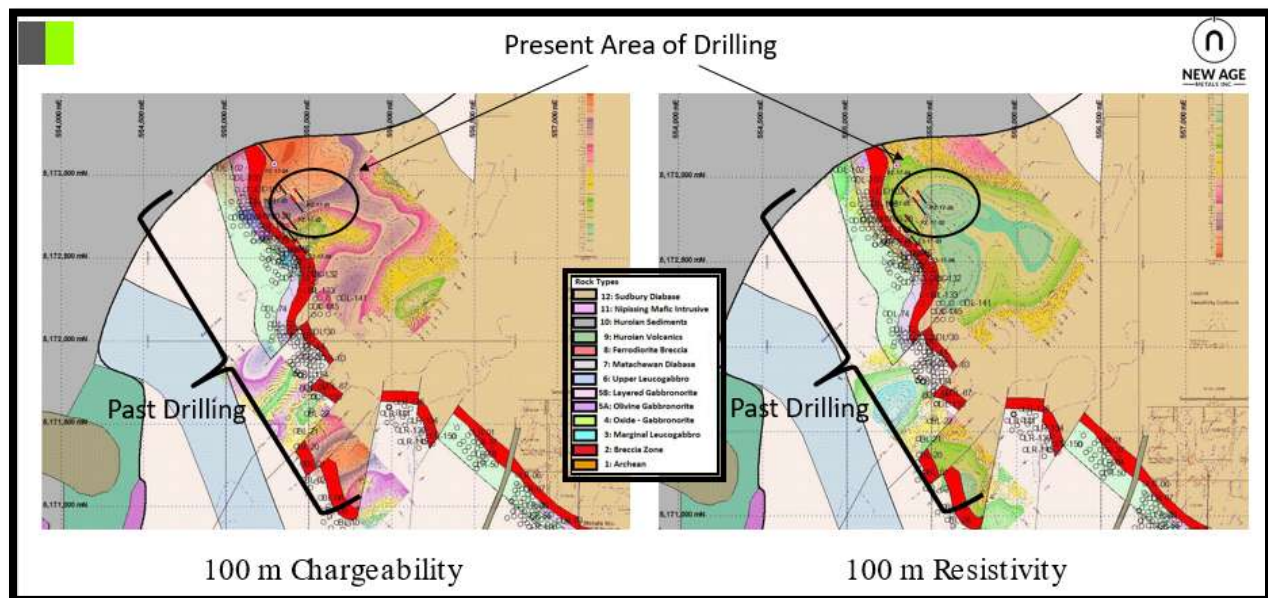
The current downturn in the metals market provides an excellent opportunity to acquire high quality projects under agreeable terms. The Company is reviewing properties for acquisition on an ongoing basis.

## 24. SUBSEQUENT EVENTS

**20 September 2017**, the Company provided the first drill hole results of the 2017 drilling campaign. Drilling has focused on the Dana North (T3) and Pine Zone as a follow up of the 2015 and 2016 drilling at the River Valley PGM Deposit.

Harry Barr, Chairman and CEO states, “Drill results (Table 1) have confirmed continued PGM mineralization in the footwall to the main River Valley contact, where the current measured and indicated resources have been proven. At present the PGM mineralization has been extended for approximately 140 metres east of the previous known mineralization into the footwall of the identified resources. PGM mineralization in the Pine Zone has now been shown to extend to at least 300 m below surface. With continued drilling success, other new targets could extend along the 16kms of strike and at depth that have not been previously explored.”

A ground geophysical survey was carried out on the Pine Zone by Abitibi Geophysics. The surface IP geophysical survey was designed to test the eastward and southward extension and dip/plunge of the Pine Zone as well as the adjacent Dana North Zone (Figure 1-2). The extension of the IP survey tested the Banshee Zone. Initial interpretations are complete and the final report has been completed. Several new targets from the geophysics have been identified and are planned for drill testing. The Company has also retained the services of a geophysical consultant, Alan King of Geoscience North Ltd., to compile all past and current geophysics into one 3D model and aid in the understanding of the structural controls on the PGM mineralization.



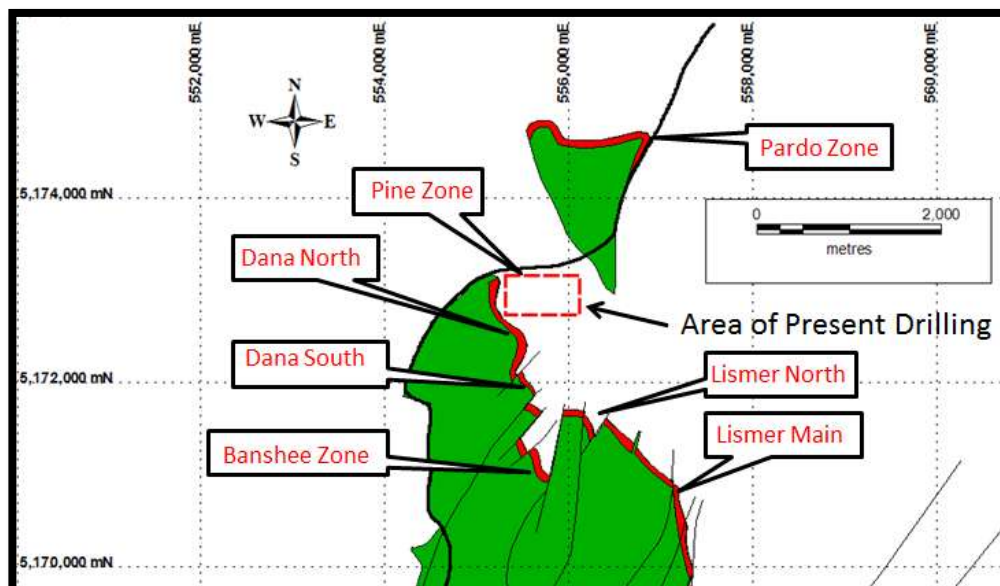
**Figure 1: River Valley Geology Layered Over Recent IP Geophysics with Recent Area of Drilling (Red Banded Unit represents the River Valley mineralized breccia contact zone-westward dip)**

Drill Hole	Meterage (m)	Interval (m)	Pd g/t	Pt g/t	Au g/t	3E g/t	Cu %	Ni %	Zone
PZ-17-01	N.S.A.	N.S.A.	N.S.A.	N.S.A.	N.S.A.	N.S.A.	N.S.A.	N.S.A.	Footwall
PZ-17-02	N.S.A.	N.S.A.	N.S.A.	N.S.A.	N.S.A.	N.S.A.	N.S.A.	N.S.A.	Footwall
T3-17-01	193 to 202	9 m	0.37	1.11	0.08	1.56	0.14	0.32	Footwall
	including								
	196 to 200	4 m	0.47	1.47	0.10	2.04	0.15	0.35	
T3-17-02	288 to 299	8 m	0.33	1.00	0.07	1.41	0.17	0.39	Footwall
	including								
	290 to 292	2 m	0.54	1.83	0.15	2.52	0.26	0.64	
T3-17-03	262 to 279	17 m	0.26	0.81	0.05	1.12	0.11	0.03	Footwall
	including								
	265 to 267	2 m	0.57	1.96	0.07	2.60	0.20	0.04	
T3-17-04	4 to 32	28 m	0.57	1.77	0.11	2.45	0.11	0.02	Main Zone
	including								
	4 to 7	3 m	1.55	5.32	0.26	7.12	0.15	0.03	Main Zone
	Including								
	24 to 30	6 m	0.96	2.93	0.17	4.06	0.20	0.04	Main Zone
	37 to 41	4 m	0.83	2.35	0.13	3.30	0.19	0.04	Main Zone
	348 to 355	7 m	0.39	1.15	0.09	1.64	0.11	0.02	Footwall

**Table 1 Drill Results from Dana North/Pine Zone**  
**(3E = Pd+Pt+Au, N.S.A. = no significant assays)**

Assay results have been received for six of the eleven presently drilled holes. Breccia host zones were identified in all holes in the program with four drill holes (Table 1) returning significant Pd+Pt+Au (3E in the Table 1) mineralization to date. The drilling is mainly of an exploratory nature and intended to test the footwall mineralization in the northern portion of the property. Further re-interpretation of the geology, structure and PGM mineralization on the project are ongoing with the company's geological and geophysical consultants.

Drill hole T3-17-04 was collared obliquely into the main PGM Zone and therefore the results are not true widths. Two high grade PGM zones were encountered from surface to 41 m. The drill hole was designed to test the footwall Pine Zone PGM mineralization to depth. PGM mineralization in the Pine Zone has now been shown to extend to at least 300 m below surface.





## **Figure 2. Zoom in of the Pine Zone and Present Area of Drilling**

Drill holes were drilled into the Pine Zone to test the PGM footwall mineralization. Drill widths are considered not true width due to the exploratory nature of the drill campaign.

### **Assay Procedures and QAQC**

The drilling is being undertaken by Jacob & Samuel Drilling Ltd. of Sudbury, Ontario under the supervision of NAM geologists. The drill core samples are sent to the SGS Canada Inc. Laboratory in Lakefield, Ontario for sample preparation and assay analyses. The preparation involved crushing of 3 kilograms of each sample to 90% passing 2 mm, and then pulverizing 0.5 kilograms to 85% passing 75 µm. Palladium, Platinum and Gold were assayed by fire assay with ICP-AES finish (GE-FAI313). Copper, Nickel and 32 additional metals were assayed by two acid digestion and ICP-OES finish (GE-ICP14B). Blanks and blind certified standard samples were submitted at regular intervals for assay with the core samples as part of NAM's rigorous Quality Assurance/Quality Control program.

### **Future Activity**

WSP Canada will be conducting the updated resource calculation and model for the River Valley PGM Deposit. This will incorporate any new drill results and interpretations.

This present exploration activity of drilling and geophysics is geared to establish the resource base for a Preliminary Economic Assessment (PEA) Report which the company plans to initialize in the near future.

To date (not including the present drill program) an approximate 612 holes (136,574 metres) have been conducted by the company and its past major joint venture partner to test the PGM mineralization extents along the contact of the River Valley Intrusion. As well, several 43-101 complaint resource estimates have been generated. The River Valley Deposit is the Largest Undeveloped Primary PGM resource in Canada, with 3.9Moz PdEq in Measured Plus Indicated including an additional 1.2Moz PdEq in Inferred.

**17 September 2017**, the Company have selected WSP Canada Inc (Sudbury Office) as the consulting company heading up the new resource model for the River Valley PGM Project. The new resource estimation work will be directed and supervised by Todd McCracken.

WSP is one of the world's leading engineering professional services consulting firms. WSP brings together 40,000 staff, based in more than 500 offices, across 43 countries to provide engineering and multidisciplinary services in a vast array of industry sectors, with a focus on technical excellence and client service. WSP has a comprehensive and skilled team that can determine the sustainability of investment opportunities and related assets for the Mining and Resource Industry. Their experienced multidisciplinary team of professionals can determine the engineering, geology, mining, infrastructure, transportation, financial, and operational sustainability of the targeted asset. WSP has been providing engineering services to the mining industry for over 20 years.

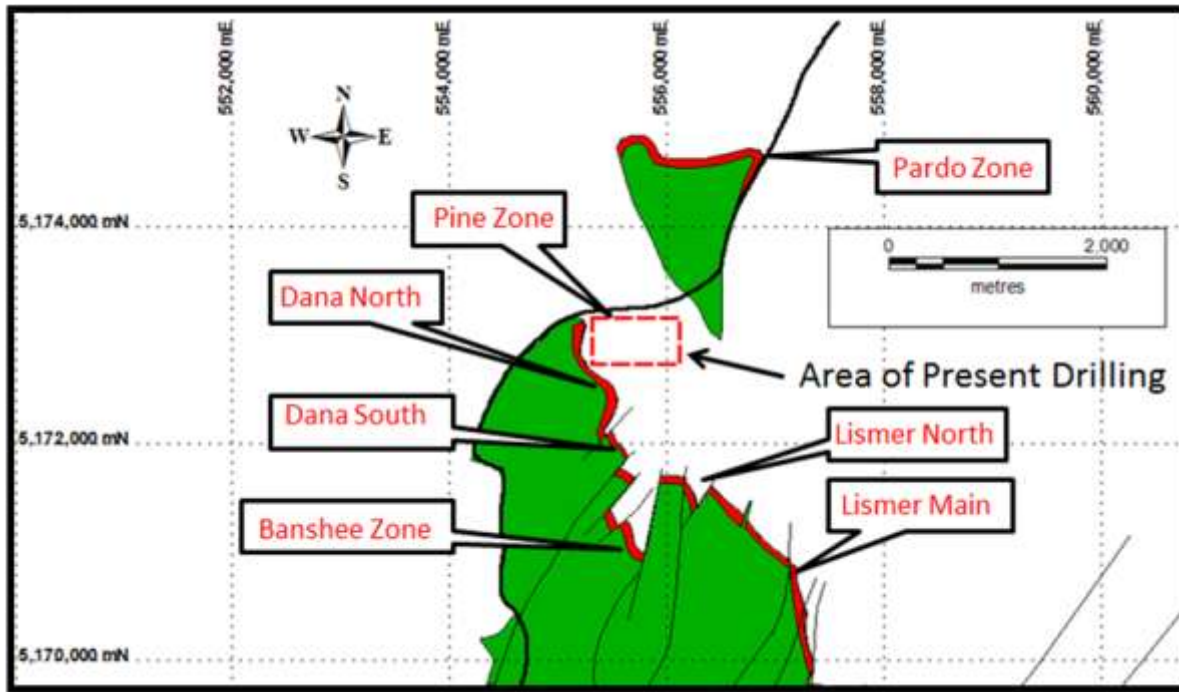
**22 August 2017**, the Company appointed Mr. Alan King to assist NAM with a detailed geophysical interpretation of the new geophysical information acquired recently from Abitibi Geophysics, as well as combining all historical geophysical information from its vast historical database and deriving new targets for future drilling.

Alan received a B.Sc. in geology from the University of Toronto in 1976 and an M.Sc. in geophysics from Macquarie University in 1989. From 1976 to 1990 he worked as a geophysicist in exploration and resource development in Canada and Australasia. From 1990 to 2012 he was employed by Inco /Vale as a senior geophysicist and then as Manager of Geophysics with responsibility for global exploration. As Chief Geophysicist for Vale Global Exploration Alan worked on geophysical applications for base metals, iron, manganese, coal and fertilizers (potash and phosphate) as well as target generation using regional and global data sets. Alan is currently working as a consultant with his own company Geoscience North. His professional interests include the use of geophysics, new technology (and ideas) and data integration in exploration, mining, environmental, geotechnical and other applications.

**17 August 2017**, the Company announced that the 2017 Drill Program is at the midway point in the planned program on the Dana North (T3) and Pine Zone at the River Valley PGM Project, approximately 100 kilometers east of Sudbury, Ontario. The Induced Polarization (IP) geophysical survey and borehole geophysics was completed by Abitibi Geophysics and a final report has been completed. The first portion of the drill program was concentrated on follow-up drill testing of the 2015-2016 PGM mineralization at the Pine Zone. Drilling will now focus on the geophysical interpretation from the recently completed IP Survey.

The Pine Zone is one of numerous prospective PGM zones (Figure 3) within the district-scale River Valley PGM Project and was recently drilled in the fall of 2016. The 2016 drill program confirmed the higher-grade, near-surface PGM discovery made in the 2015 drill program, and highlighted the continuity of the mineralization for 200 metres along strike and 100-200 metres depth at the Pine Zone. The Pine Zone remains open along strike and at depth. The recent drill program (Figure 3) has completed 6 follow-up holes on this zone. Approximately 5000 meters (16,500 feet) of drilling is planned for the present drill program. The first batch of assays has been sent to the laboratory and results are expected in the next few weeks. The second batch of assays is scheduled to be sent to the laboratory after the next drill hole.

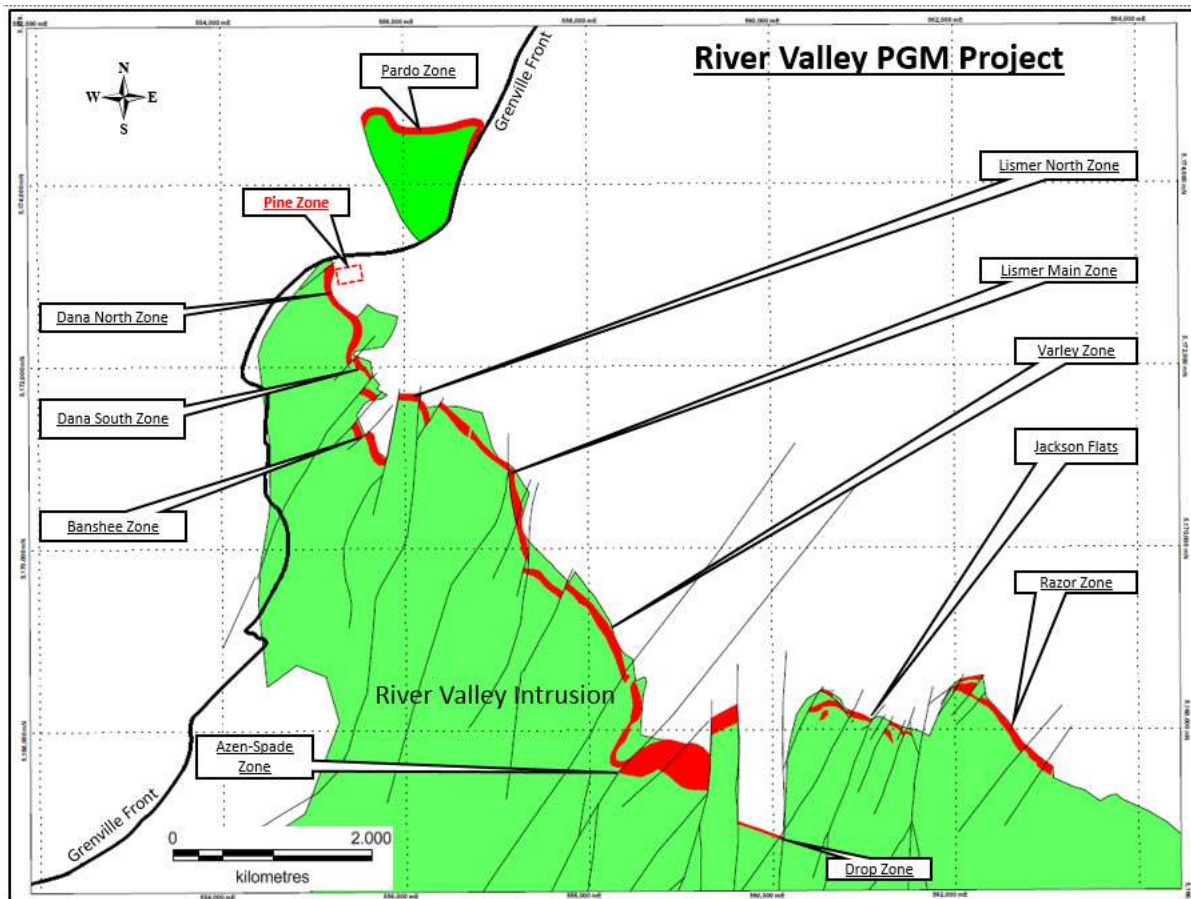
The surface IP geophysical survey was designed to test the eastward and southward extension and dip/plunge of the Pine Zone, as well as the adjacent Dana North Zone (Figure 4). The extension of the IP survey tested the Banshee Zone. Initial interpretations are complete and the final report has been completed. Several new targets from the geophysics have been identified and are planned for drill testing.



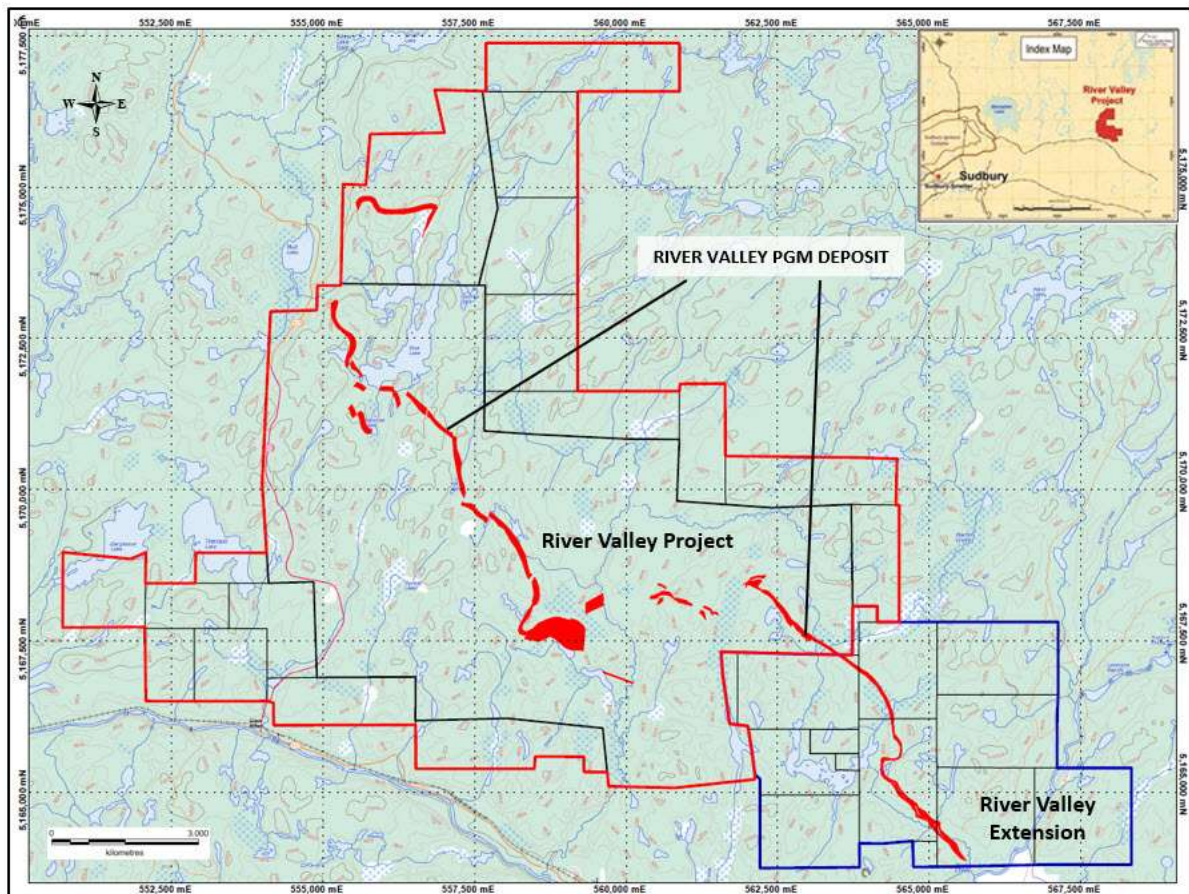
**Figure 3.** Zoom in of the Pine Zone and Present Area of Drilling

This present exploration activity of drilling and geophysics is geared to establish the resource base for a Preliminary Economic Assessment (PEA) Report which the company plans to complete before the end of 2018.

To date (not including the present drill program) approximately 671 holes (152,394 metres) have been conducted by the company and its past major joint venture partners to test the PGM mineralization extents of the River Valley Intrusion. As well, several 43-101 compliant resource estimates have been generated. The River Valley Deposit is the Largest Undeveloped Primary PGM resource in Canada, with 2.5M oz PGM, in Measured Plus Indicated mineral resources and near-surface mineralization covering over 16kms of continuous strike length and open at depth.



**Figure 4.** Property scale geological map showing the location of the Pine Zone discovery relative to the Dana North Zone immediately to the west, and the Pardo Zone 2 km to the northeast. Note the apparent dextral sense of offset of the River Valley PGM deposit (red) across the Grenville Front Tectonic Zone.



**Figure 5.** Location of NAM's 100% owned River Valley PGM Project.